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CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
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WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

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UNITED STATES OF AMERICA, ex
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SUNRISE SERVICES, INC., a
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LIFE CARE CENTERS OF AMERICA,
Inc., a Tennessee Corporation,

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RELATOR RAJU A.T.
DAHLSTROM'S ORIGINAL
COMPLAINT FILED
PURSUANT TO 31 U.S.C. §§
3729 – 3732

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I. INTRODUCTION TO THIS FCA CASE

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1. Relator Raju A.T. Dahlstrom (hereinafter, "Relator" "Plaintiff" or "Dahlstrom"), by and through his undersigned attorney, submits this Original Complaint on behalf of the UNITED STATES OF AMERICA, and on his own behalf to recover all damages, penalties, and other remedies against Defendants:
(a) Life Care Centers of America, Inc., ("Life Care") a for-profit Tennessee

1 Corporation; and (b) Sunrise Services, Inc., ("Sunrise") a for-profit, Washington
 2 Corporation, for violations of the False Claims Act (the "FCA"), 31 U.S.C. § 3729
 3 et seq., and Relator also allege that Defendants not only violated the FCA, but also
 4 the federal whistleblower provisions against retaliation,¹ and Washington state
 5 laws, and would show the following:

6 **A. DEFENDANT LIFE CARE CENTERS OF AMERICA, INC.**

7 2. Virtually on the eve of Relator's hire decision on October 24, 2016,²
 8 by Defendant Life Care Centers of America, Inc., (DBA: Life Care Center of
 9 Mount Vernon) the Department of Justice (DOJ), Office of Public Affairs releases
 10 the following headlines on this day:

11 **"LIFE CARE CENTERS OF AMERICA, INC. AGREES TO PAY \$145
 12 MILLION TO RESOLVE FALSE CLAIMS ACT ALLEGATIONS"³**

14 **Life Care Centers of America Inc. (Life Care) and its owner,
 15 Forrest L. Preston, have agreed to pay \$145 million to resolve a
 16 government lawsuit alleging that Life Care violated the False
 17 Claims Act by knowingly causing skilled nursing facilities (SNFs)
 18 to submit false claims to Medicare and TRICARE for
 rehabilitation therapy services that were not reasonable, necessary
 or skilled, the Department of Justice announced today. Life Care,
 based in Cleveland, Tennessee, owns and operates more than 220
 skilled nursing facilities across the country.**

19 **"This resolution is the largest settlement with a skilled nursing
 20 facility chain in the department's history," said Principal Deputy
 21 Assistant Attorney General Benjamin C. Mizer, head of the Justice
 Department's Civil Division. "It is critically important that we**

22 ¹ The FCA's retaliation provision entitles an employee to relief if he is "discharged, demoted, suspended,
 23 threatened, harassed, or in any other manner discriminated against . . . because of lawful acts done . . . in
 furtherance of an action" under the FCA. 31 U.S.C. § 3730(h).

24 ² On October 25, 2015, Relator commenced his work at Life Care Centers of America, Inc., (DBA: Life
 25 Care Center of Mount Vernon) as Director of Social Services, and was constructively discharged on August 31,
 2018, after filing complaints of FCA, HIPPA, Title VII complaints for discrimination and retaliation.

26 ³ See, Department of Justice's Press Release regarding Life Care's FCA settlement agreement.
 27 Accessible online at: <https://www.justice.gov/opa/pr/life-care-centers-america-inc-agrees-pay-145-million-resolve-false-claims-act-allegations>.

1 protect the integrity of government health care programs by
 2 ensuring that services are provided based on clinical rather than
 financial considerations."

3 This settlement resolves allegations that between Jan. 1, 2006 and
 4 Feb. 28, 2013, Life Care submitted false claims for rehabilitation
 5 therapy by engaging in a systematic effort to increase its Medicare
 6 and TRICARE billings. Medicare reimburses skilled nursing
 7 facilities at a daily rate that reflects the skilled therapy and nursing
 8 needs of their qualifying patients. The greater the skilled therapy
 9 and nursing needs of the patient, the higher the level of Medicare
 reimbursement. The highest level of Medicare reimbursement for
 skilled nursing facilities is for "Ultra High" patients who require a
 minimum of 720 minutes of skilled therapy from two therapy
 disciplines (e.g., physical, occupational, speech), one of which has
 to be provided five days a week.

10 The United States alleged in its complaint that Life Care instituted
 11 corporate-wide policies and practices designed to place as many
 12 beneficiaries in the Ultra High reimbursement level irrespective of
 13 the clinical needs of the patients, resulting in the provision of
 14 unreasonable and unnecessary therapy to many beneficiaries. Life
 15 Care also sought to keep patients longer than was necessary in
 16 order to continue billing for rehabilitation therapy, even after the
 17 treating therapists felt that therapy should be discontinued. Life
 Care carefully tracked the minutes of therapy provided to each
 patient and number of days in therapy to ensure that as many
 patients as possible were at the highest level of reimbursement for
 the longest possible period. The settlement also resolves allegations
 brought in a separate lawsuit by the United States that Forrest L.
 Preston, as the sole shareholder of Life Care, was unjustly enriched
 by Life Care's fraudulent scheme.

18 "Billing federal healthcare programs for medically unnecessary
 19 rehabilitation services not only undermines the viability of those
 20 programs, it exploits our most vulnerable citizens," said U.S.
 21 Attorney Nancy Stallard Harr for the Eastern District of
 Tennessee. "We are committed to working with our federal
 partners to protect both."

22 "The resolution announced today demonstrates the commitment of
 23 the U.S. Attorney's Office to aggressively pursue providers who
 24 utilize fraudulent practices to knowingly put their own financial
 25 self-interest over a duty to patients," said U.S. Attorney Wifredo A.
 26 Ferrer of the Southern District of Florida. "It is imperative that
 providers make healthcare decisions based upon a patient's need
 for services rather than a self-serving desire to maximize financial
 profit. Our office will continue to investigate fraud allegations, in
 order to ensure that providers do not compromise the integrity of
 our public health care programs."

1 As part of this settlement, Life Care has also entered into a five-
 2 year chain-wide Corporate Integrity Agreement with
 3 the Department of Health and Human Services Office of Inspector
 4 General (HHS-OIG) that requires an independent review
 5 organization to annually assess the medical necessity and
 6 appropriateness of therapy services billed to Medicare.
 7

8 "Therapy provided in skilled nursing facilities must be medically
 9 reasonable and necessary, and we will continue to vigorously
 10 investigate companies that subject their residents to needless and
 11 unreasonable therapy," said HHS Inspector General Daniel R.
 12 Levinson. "The corporate integrity agreement with Life Care is
 13 designed to ensure that it only provides therapy based on the
 14 individual needs of each resident."

15 The settlement, which was based on the company's ability to pay,
 16 resolves allegations originally brought in lawsuits filed under the
 17 qui tam, or whistleblower, provisions of the False Claims Act by
 18 Tammie Taylor and Glenda Martin, former Life Care
 19 employees. The act permits private parties to sue on behalf of the
 20 government for false claims for government funds and to receive a
 21 share of any recovery. The government may intervene and file its
 22 own complaint in such a lawsuit, as it has done in this case. The
 23 whistleblower reward in this case will be \$29 million.

24 The settlement illustrates the government's emphasis on combating
 25 health care fraud and marks another achievement for the Health
 26 Care Fraud Prevention and Enforcement Action Team (HEAT)
 27 initiative, which was announced in May 2009 by the Attorney
 28 General and the Secretary of Health and Human Services. The
 29 partnership between the two departments has focused efforts to
 30 reduce and prevent Medicare and Medicaid financial fraud
 31 through enhanced cooperation. One of the most powerful tools in
 32 this effort is the False Claims Act. Since January 2009, the Justice
 33 Department has recovered a total of more than \$31.6 billion
 34 through False Claims Act cases, with more than \$19.2 billion of that
 35 amount recovered in cases involving fraud against federal health
 36 care programs.

37 This matter was handled by the Civil Division's Commercial
 38 Litigation Branch, the U.S. Attorneys' Offices for the Eastern
 39 District of Tennessee and the Southern District of Florida, and the
 40 HHS-OIG, with assistance from the U.S. Attorneys' Offices for the
 41 District of Colorado, the Middle District of Florida, the Northern
 42 District of Georgia, the District of Massachusetts and the District
 43 of South Carolina and NCI/Advance Med, a Medicare Zone
 44 Program Integrity Contractor.

45 The two qui tam cases are docketed as United States ex rel. Taylor
 46 v. Life Care Centers of America, Inc., No. 1:12-cv-64 (E.D. Tenn)
 47 and United States ex rel. Martin v. Life Care Centers of America,

Inc., No. 1:08-cv-251 (E.D. Tenn). The case against Forrest L. Preston is captioned United States v. Preston, No. 1:16-cv-113 (E.D. Tenn). The claims resolved by the settlement are allegations only; there has been no determination of liability.

B. DEFENDANT SUNRISE SERVICES, INC.

“A Health Home is not a place. It is a set of services to support individuals who have serious chronic conditions and more than one medical or social service need. Health services can make things go more smoothly between medical and social service support. This may help reduce an individual’s visits to hospitals and emergency room, support overall health, well-being, and self-care. Sunrise is a care coordination agency for Health Home services. Sunrise care coordinators meet with individuals and the agencies that support them to keep things moving forward. If individuals go in and out of the hospital, the care coordinator assist in planning transitions.”⁴

3. Defendant Sunrise provides "Health Homes" services under Medicare and Medicaid funding --that includes: (a) comprehensive care management; (b) care coordination and health promotion; (c) transition planning; (d) individual and family support; (e) referral to relevant community and social support services; and health education.

II. PARTIES

A. Relator

4. The Relator-Plaintiff is (registered counselor)⁵ and a former Director

⁴ See, Health Homes description by Sunrise accessible online at: <http://sunriseservices.com/health-homes/>.

⁵ Relator's **CURRENT CREDENTIALS:**

Type	Counselor Agency (Affiliated)
Registration (CAFR)	Credential Number: CG6015436
Issuing Agency	Department of Health – Washington
Status	Active
Effective Date	06/28/2010

1 of Social Services at Life Care Centers of America, Inc., d/b/a: Life Care Center
 2 of Mount Vernon (LCCMV), Mount Vernon, Skagit County, Washington, from
 3 October 25, 2016, until he was constructively discharged by submitting his
 4 resignation effective August 31, 2018,⁶ because of the discriminatory and
 5 retaliatory⁷ conduct by Life Care Centers of America, Inc.

6 5. The LCCMV is owned and operated by defendant Life Care. Relator
 7 commenced (his qui tam complaining and concerns with Defendants: Life Care
 8 and Sunrise during a brief window of his employment with Life Care and was
 9 compelled to address false-allegations initiated by governmental and private
 10 agency operatives with one objective in mind. To destroy Relator because of his
 11 active participation in protected activities.

12 6. Specifically, Relator was subjected to addressing false-complaints
 13 (ostensibly) filed against him involving two vulnerable adults identified as Patient
 14 A and B respectively who were patients at Life Care Centers of America, Inc.,
 15 from on or about October 2017 and July 2018 respectively. Both Patients A and
 16 B⁸ were utilized as retaliatory (battering ram) against Relator by State of
 17 Washington, Department of Social and Health Services (DSHS), and its constituent
 18 agencies: Adult Protective Services and Division of Developmental Disabilities
 19 and Sunrise Services, Inc., and by extension, Life Care Centers of America, Inc.,
 20 because of Relator's ongoing protected activities exposing FCA, HIPPA, and other
 21 health and safety violations at the Life Care and Sunrise's ongoing fraudulent
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23
 24 ⁶ On or about September 2018, Relator filed an (EEOC Charge No. 551-2018-03535) and shortly
 25 thereafter received a right-to-sue letter from the EEOC.

26 ⁷ Some of Relators complaints against Life Care focused on Title VII of the Civil Rights Act of 1964, as
 27 amended, was filed with the U.S. Equal Employment Commission and crossed-filed with the Washington State
 Human Rights Commission (WSHRC), under the Washington Law Against Discrimination.

⁸ Patient A and B are pseudonyms and is being referred as such to protect HIPPA-privacy.

1 participation in the Health Home programs –specifically, relating to patients at the
 2 LCCMV who were receiving services (contractually, through Sunrise or Northwest
 3 Regional Council –who contracted with Sunrise and being paid through Medicare
 4 and Medicaid through the Health Homes Programs).

5 **B. Defendant Life Care Centers of America, Inc.**

6 7. Defendant Life Care Centers of America, Inc., is headquartered in
 7 Cleveland, Tennessee. Life Care is a for profit corporation that manages and/or
 8 owns over 200 skilled nursing facilities across the country, including over 20
 9 facilities in Tennessee. Medicare paid Life Care and its facilities over \$4.2 billion
 10 from January 2006 through December 2011 for inpatient services at its nursing
 11 facilities.

12 8. Defendant Life Care Centers of America, Inc., is a corporation
 13 organized and existing under the laws of the State of Tennessee with its
 14 headquarters in Cleveland, Tennessee while conducting business in the State of
 15 Washington. According to its Corporate Disclosure Statement, Defendant Life
 16 Care Centers of America, Inc., has no parent corporation and is not owned by any
 17 publicly held corporation.

18 9. Forrest L. Preston is listed as Registered Agent of Life Care Centers
 19 of America, Inc., a For-profit Corporation, established on 01/06/1976) according
 20 to 2017 Annual Report filed on 03/06/2018, with the Division of Business
 21 Services, Department of State (“SOS”) (SOS Control Number: 000018476), State
 22 of Tennessee. Life Care’ corporate information accessible online at:
 23 <https://tnbear.tn.gov/Ecommerce/FilingDetail.aspx?CN=009147232238047069021166175167182053107190077184>.

24
 25 **C. Defendant Sunrise Services, Inc.**

1 10. Defendant Sunrise Services, Inc., is headquartered in Everett,
 2 Washington. Sunrise is a for profit corporation that manages social and health
 3 services and implements the Health Home Programs under (contracts or
 4 subcontracts) through the Northwest Regional Council (NWRC),⁹ and receiving
 5 Medicare and Medicaid funding to implement its Health Homes programs.

6 11. Ms. Sue Ann Closser, President, Owner, Governor/Agent of Sunrise
 7 Services, Inc., located: Post Office Box 2569 811 Madison Everett, Washington
 8 98213. Telephone: (425) 347-3149 | Facsimile: (425) 347-0492. Sunrise's
 9 corporate information is accessible online at:
 10 <https://www.sos.wa.gov/corps/business.aspx?ubi=600231010>.

11 **III. RESPONDEAT SUPERIOR AND VICARIOUS LIABILITY**

12 12. Any and all acts alleged herein to have been committed by Defendants
 13 Life Care and Sunrise (as a prospective employer) were committed by officers,
 14 directors, employees, representatives, or agents of those respective defendants,
 15 who at all times acted on behalf of the named defendants and within the course and
 16 scope of their employment.

17 **IV. ADMINISTRATIVE PREREQUISITES**

18 13. Qui Tam Standing: Plaintiff/Relator Dahlstrom is a "person" and has
 19 standing to bring this qui tam on behalf of the United States of America and
 20 himself. See, Vermont Agency of Natural Resources v. United states ex rel.
 21 Stevens. 529 U.S. 765, 778, 120 S. Ct. 1858. 1865 (2000) ("a qui tam relator under
 22 FCA has Article II standing.").

23
 24
 25 9 As an association of county governments, the Northwest Regional Council (NWRC) has been serving
 26 people of Island, San Juan, Skagit, and Whatcom Counties since 1971, is governed by a board of directors that is
 27 composed of two elected officials from each member county. The NWRC Governing Board, effective January 12,
 2016. See, <https://www.nwrcwa.org/nwrc-governing-board/>.

1 14. Original Source: Plaintiff/Relator Dahlstrom is an “original source”
 2 of (some) or all of the information on which the allegations contained hereto are
 3 based, as the term is defined in 31 U.S.C. §3730(c)(4).

4 15. Disclosure Statement: Plaintiff/Relator Dahlstrom will
 5 simultaneously, with the filing this Complaint provide “Disclosure of Substantially
 6 All Material Evidence and Information” pursuant to 31 U.S.C. U.S.C. §3730(b)(2)
 7 to the United States Attorney Annette L. Hayes¹⁰, United States Attorney’s Office
 8 for the Western District of Washington.

9 16. Intervention by the United States Government: Should the United
 10 States Government elects to intervene in this action, pursuant to the False Claims
 11 Act, 31 U.S.C. § 3730(b)(4)(A), the Plaintiff/Relator Dahlstrom will provide every
 12 assistance in the execution of this Complaint.

13 17. Declination by the United States Government: In the alternative,
 14 should the United states Government decline to intervene in this action, pursuant
 15 to the False Claims, 31 U.S.C. § 3730(b)(4)(B), Plaintiff/Relator Dahlstrom is
 16 willing to continue the prosecution of this Complaint on behalf of the United States
 17 Government. Plaintiff/Relator will comply with the provisions as provided by 31
 18 U.S.C. § 3730(c)(3).

20 V. JURISDICTION AND VENUE

21 18. This Court has jurisdiction under 31 U.S.C. § 3730, and 28 U.S.C. §§
 22 1331 and 1345, and supplemental jurisdiction to entertain the common law causes
 23 of action under 28 U.S.C. § 1367(a). The Court may exercise personal jurisdiction
 24 over the defendant because the defendant resides and/or transacts business in the

26 27 ¹⁰ United States Attorney's Office 700 Stewart Street, Suite 5220 Seattle, WA 98101-1271
 Telephone: (206) 553-7970 Toll Free: (800) 797-6722 Fax Line: (206) 553-0882.

Western District of Washington or committed proscribed acts in this District.

19. Venue lies in this District pursuant to 31 U.S.C. § 3732(a), and 28 U.S.C. § 1391(b) and (c), as the place where the defendant resides and where a substantial part of the events or omissions giving rise to the claims occurred.

VI. STATUTORY BACKGROUND

A. FALSE CLAIMS ACT¹¹

20. Congress enacted the FCA in 1863 as a tool for “prevent[ing] and punish[ing] frauds upon the government of the United States.”¹² Concern with “frauds and corruptions practiced in obtaining pay from the government during the [Civil War]” motivated a forceful legislative response.¹³ The Act created liability for a number of actions negatively affecting the government fisc,¹⁴ set the damages and penalties that the government can recover,¹⁵ and permitted private citizens to bring suit on behalf of the government.¹⁶ FCA suits brought by private citizen plaintiffs are known as qui tam actions.¹⁷ In 1986, Congress amended the FCA in order to better facilitate qui tam actions,¹⁸ increase recoveries by raising the damages multiplier and civil penalties,¹⁹ define the scienter requirement,²⁰ and

¹¹ Paragraphs 19-20 of this Qui Tam Complaint is directly quoted from: Peter T. Thomas, Trial by Formula: The Use of Statistical Sampling and Extrapolation in Establishing Liability Under the False Claims Act, 74 Wash. & Lee L. Rev. Online 215 (2017), <https://scholarlycommons.law.wlu.edu/wlulr-online/vol74/iss1/11>, and through access online at: <https://scholarlycommons.law.wlu.edu/cgi/viewcontent.cgi?article=1089&context=wlulr-online>.

¹² Act of Mar. 2, 1863, ch. 67, 12 Stat. 696.

¹³ CONG. GLOBE, 37th Cong., 3d Sess. 952 (1863).

¹⁴ See Act of Mar. 2, 1863, ch. 67, § 1, 12 Stat. 696 (defining violations of the Act).

¹⁵ See id. § 3 (establishing double damages, civil penalties, and costs to be assessed against private citizens found in violation of the statute and for court marshals in cases involving military personnel).

¹⁶ See *id.* § 4 (allowing a private person to bring suit under the Act on behalf of the government).

¹⁷ See *Vt. Agency of Nat. Resources v. United States ex rel. Stevens*, 529 U.S. 765, 768-69 (2000) (examining the ability of relators to bring qui tam actions on behalf of the government).

¹⁸ See S. REP. NO. 99-345, at 2 (1986) ("The proposed legislation seeks . . . to provide the Government's law enforcers with more effective tools . . .").

¹⁹ See id. at 17 (increasing the damages multiplier and penalties).

²⁰ See *id.* at 20 (clarifying the definition of knowledge under the FCA).

1 clearly establish preponderance of the evidence as the burden of proof for each
 2 FCA element.²¹ The Fraud Enforcement and Recovery Act of 2009 (FERA)²² again
 3 amended the FCA²³ to remove a judicially created requirement that false claims be
 4 presented to a government employee.²⁴ This amendment also created a statutory
 5 definition for the materiality element.²⁵ There have also been two more recent
 6 amendments that are not relevant to statistical sampling.²⁶

7 21. The FCA provides, in pertinent part, that any person who: (A)
 8 knowingly presents, or causes to be presented, a false or fraudulent claim for
 9 payment or approval; [or] (B) knowingly makes, uses, or causes to be made or
 10 used, a false record or statement material to a false or fraudulent claim...is liable
 11 to the United States Government [for statutory damages and such penalties as are
 12 allowed by law]. 31 U.S.C. § 3729(a)(1)-(2) (2006), as amended by 31 U.S.C. §
 13 3729(a)(1)(A)-(B).

14 22. The FCA further provides that “knowing” and “knowingly” (A) mean
 15 that a person, with respect to information- (i) has actual knowledge of the
 16 information; (ii) acts in deliberate ignorance of the truth or falsity of the
 17 information; or (iii) acts in reckless disregard of the truth or falsity of the
 18 information; or (iii) acts in reckless disregard of the truth or falsity of the
 19

20 ²¹ See id. at 30–31 (stating the burden of proof under the FCA).

21 ²² Pub. L. No. 111-21, § 4, 123 Stat. 1617, 1621 (2009) (amending the FCA).

22 ²³ See id. (amending the FCA); see also S. REP. NO. 111-10, at 10–11 (2009) (altering language in the FCA relied upon by the Supreme Court in *Allison Engine Co., Inc. v. United States ex rel. Sanders*, 553 U.S. 662 (2008), when determining that the FCA required an intent “to get” the government to pay the amount falsely claimed).

23 ²⁴ See *Allison Engine Co., Inc. v. United States ex rel. Sanders*, 553 U.S. 662, 668–69 (2008) (basing an additional intent requirement that a defendant have the “purpose of getting a false . . . claim paid or approved by the Government” on the language “to get”)

24 ²⁵ See S. REP. NO. 111-10 at 12 (2009) (“[T]he new term ‘material’ is defined later in this section to mean ‘having a natural tendency to influence, or being capable of influencing, the payment or receipt of money or property.’”).

25 ²⁶ See Patient Protection and Affordable Care Act, Pub. L. No. 111-148, § 10104(j)(2), 124 Stat. 119, 901 (2010) (modifying the public disclosure bar); Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, § 1079A(c), 124 Stat. 1376, 2079–80 (2010) (amending the FCA’s retaliation language).

1 information; and (B) require no proof of specific intent to defraud[.] 31 U.S.C. §
 2 3729(b) (2006), as amended by 31 U.S.C. § 3729(b)(1) (West 2010). The FCA, at
 3 31 U.S.C. § 3729(a)(1), provides that a person is liable to the United States
 4 Government for three times the amount of damages which the Government sustains
 5 because of the act of that person, plus a civil penalty of \$5,500 to \$11,000 per
 6 violation.

7 **B. MEDICARE PROGRAMS IN SKILLED NURSING FACILITIES**

8 23. Congress established the Medicare Program in 1965 to provide health
 9 insurance coverage for people age 65 or older and for people with certain
 10 disabilities or afflictions. See 42 U.S.C. §§ 426, 426A.

11 24. The Medicare program is divided into four “parts” that cover different
 12 services. Medicare Part A generally covers inpatient hospital services, home health
 13 and hospice care, and skilled nursing and rehabilitation care.

14 25. Subject to certain conditions, Medicare Part A covers up to 100 days
 15 of skilled nursing and rehabilitation care for a benefit period (i.e., spell of illness)
 16 following a qualifying hospital stay of at least three consecutive days. 42 U.S.C. §
 17 1395d(a)(2)(A); 42 C.F.R. §409.61(b), (c).

18 26. The conditions that Medicare imposes on its Part A skilled nursing
 19 facility ("SNF") benefit include: (1) that the patient requires skilled nursing care or
 20 skilled rehabilitation services (or both) on a daily basis, (2) that the daily skilled
 21 services must be services that, as a practical matter, can only be provided in a
 22 skilled nursing facility on an inpatient basis, and (3) that the services are provided
 23 to address a condition for which the patient received treatment during a qualifying
 24 hospital stay or that arose while the patient was receiving care in a skilled nursing
 25 facility (for a condition treated during the hospital stay). 42 U.S.C. §
 26

1 1395f(a)(2)(B); 42 C.F.R. § 409.31(b).

2 27. Medicare requires that a physician or certain other practitioners
 3 certify that these conditions are met at the time of a patient's admission to the
 4 nursing facility and to re-certify to the patient's continued need for skilled
 5 rehabilitation therapy services at regular intervals thereafter. See 42 U.S.C. §
 6 1395f(a)(2)(B); Medicare General Information, Eligibility, and Entitlement
 7 Manual, Ch. 4, § 40.3.

8 28. To be considered a skilled service, it must be "so inherently complex
 9 that it can be safely and effectively performed only by, or under the supervision of,
 10 professional or technical personnel," 42 C.F.R. § 409.32(a), such as physical
 11 therapists, occupational therapists, or speech pathologists. See 42 C.F.R. §
 12 409.31(a).

13 29. Skilled rehabilitation therapy generally does not include personal care
 14 services, such as the general supervision of exercises that have already been taught
 15 to a patient or the performance of repetitious exercises (e.g., exercises to improve
 16 gait, maintain strength or endurance, or assistive walking). See 42 C.F.R. §
 17 409.33(d). "Many skilled nursing facility inpatients do not require skilled physical
 18 therapy services but do require services, which are routine in nature. Those services
 19 can be performed by supportive personnel; e.g., aides or nursing personnel"
 20 Medicare Benefit Policy Manual, Chapter 8, § 30.4.1.1.

21 30. Medicare Part A will only cover those services that are reasonable and
 22 necessary. See 42 U.S.C. § 1395y(a)(1)(A); see also 42 U.S.C. § 1320c-5(a)(1)
 23 (providers must assure that they provide services economically and only when, and
 24 to the extent, medically necessary); 42 U.S.C. § 1320c-5(a)(2) (services provided
 25 must be of a quality which meets professionally recognized standards of health
 26 27

1 care).

2 31. In the context of skilled rehabilitation therapy, this means that the
 3 services furnished must be consistent with the nature and severity of the patient's
 4 individual illness, injury, or particular medical needs; must be consistent with
 5 accepted standards of medical practice; and must be reasonable in terms of duration
 6 and quantity. See Medicare Benefit Policy Manual, Ch. 8, § 30.

7 32. In order to assess the reasonableness and necessity of those services
 8 and whether reimbursement is appropriate, Medicare requires proper and complete
 9 documentation of the services rendered to beneficiaries. In particular, the Medicare
 10 statute provides that: No payment shall be made to any provider of services or other
 11 person under this part unless there has been furnished such information as may be
 12 necessary in order to determine the amounts due such provider or other person
 13 under this part for the period with respect to which the amounts are being paid or
 14 for any prior period. 42 U.S.C. § 1395l(e).

15 **C. WASHINGTON FINANCIAL ALIGNMENT DEMONSTRATION
 16 UNDER MEDICARE AND BIRTH OF HEALTH HOMES**

17 33. On October 25, 2012,²⁷ the U.S. Department of Health and Human

21

 22 ²⁷ See additional supporting documents regarding CMS and the State of Washington engagement from
 23 October 2012 through the present, as annexed below:

- 24 (a) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAMFFSFDA.pdf>.
- 25 (b) https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAMFFSFDA_Amendment.pdf.
- 26 (c) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAMFFSMOU.pdf>.
- 27 (d) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WashingtonProposal.pdf>.

1 Services announced that the state of Washington would become the first state to
 2 partner with the Centers for Medicare & Medicaid Services (CMS) in the Financial
 3 Alignment Initiative to test a Managed Fee for Service (MFFS) model for
 4 providing Medicare-Medicaid enrollees with a more coordinated, person-centered
 5 care experience. Through the demonstration, Washington is building upon its
 6 Medicaid health home model, targeting Medicare-Medicaid enrollees with chronic
 7 health conditions. The demonstration began on July 1, 2013.

8 34. Individuals receiving Health Home services are assigned a Health
 9 Home care coordinator who will partner with eligible individuals, their families,
 10 doctors, mental health providers, chemical dependency services, long-term
 11 services and supports and other agencies to ensure coordination across these
 12 systems of care. In addition, the health home coordinator will make in-person visits
 13 and be available by telephone to help the individual, their families, and service
 14 providers to: (a) Conduct screenings to identify health risks and referral needs; (b)
 15 Set goals that will improve beneficiaries' health and service access; (c) Improve
 16 management of health conditions through education and coaching; (d) Make
 17 changes to improve beneficiaries' ability to function in their home and community
 18 and their self-care abilities; (e) Access the right care, at the right time and place;

21 (e) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAFirstAnnualEvalReport.pdf>.
 22 (f) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAFirstAnnualEvalReportAppendices.pdf>.
 23 (g) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAEvalMedicareCostYr1FinalYr2Preliminary072817.pdf>, and
 24 (h) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAEvalPlan.pdf>.

1 (f) Successfully transition from hospital to other settings and get necessary follow-
 2 up care; and (g) Reduce avoidable health care costs.

3 35. Additionally, the referrals for individuals who meet the risk modeling
 4 criteria (PRISM) are generated by the Health Care Authority (HCA) and sent to
 5 local Care Coordination Organizations (CCOs). The CCOs then reach out to the
 6 individuals to offer Health Home services.

7 **D. STATEMENT OF INITIATIVE²⁸**

8 36. CMS and the State agree to begin this Managed Fee-for-Service
 9 Financial Alignment Demonstration on July 1, 2013, and continue until December
 10 31, 2018, unless extended or terminated pursuant to the terms and conditions in
 11 Section V or VI, respectively, of this Agreement.

12 37. To establish a Federal-State partnership between the Centers for
 13 Medicare & Medicaid Services (CMS) and the State of Washington (the
 14 Washington State Health Authority/Washington State Department of Social &
 15 Health Services) to implement HealthPath Washington: A Medicare and Medicaid
 16 Integration Project, Managed Fee-for-Service Model (Demonstration) to better
 17 serve individuals eligible for both Medicare and Medicaid ("Medicare-Medicaid
 18 enrollees" or "beneficiaries"). The Federal-State partnership will provide the State
 19 with a new opportunity to establish a care management program for Medicare-
 20 Medicaid enrollees meeting high-cost/high-risk criteria that will coordinate
 21

22
 23 ²⁸ **Demonstration Authority:** Under the authority at section 1115A of the Social Security Act ("Act"),
 24 the Center for Medicare and Medicaid Innovation is authorized to "...test payment and service delivery models
 25 ...to determine the effect of applying such models under [Medicare and Medicaid]." Such models include but are
 26 not limited to the models described in section 1115A(b)(2)(B) of the Act. Section 1115A(d)(1) authorizes the
 27 Secretary to waive such requirements of titles XI and XVIII of the Act and of Sections 1902(a)(1), 1902(a)(13),
 and 1903(m)(2)(A)(iii) of the Act as may be necessary solely for purposes of testing models described in section
 1115A(b). See also, <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WAMFFSMOU.pdf>.

1 services across Medicare and Medicaid and allow the State and the Federal
 2 government to benefit from savings resulting from improvements in quality and
 3 reductions in costs. CMS plans to begin this Managed Fee-for-Service Financial
 4 Alignment Demonstration on April 1, 2013, and continue until December 31, 2016,
 5 unless terminated or extended pursuant to the terms and conditions of the Final
 6 Demonstration Agreement. The initiative is intended to alleviate fragmentation and
 7 improve coordination of services for high-cost, high-risk Medicare-Medicaid
 8 enrollees served primarily in fee-for-service systems of care. Improved
 9 coordination is intended to improve beneficiary outcomes and reduce overall costs
 10 over time for the State and the Federal government. (See Appendix 1 for definitions
 11 of terms and acronyms used in this MOU.)
 12

13 38. Under this Demonstration, beneficiaries decide whether to receive
 14 health home services. With the exception of the addition of Medicaid health home
 15 services, this Demonstration does not change Medicare or Medicaid benefits in any
 16 way, nor does it affect an individual's choice of Medicare and Medicaid providers.
 17 Health home services will not be provided unless and until a beneficiary elects to
 18 receive them. The process by which beneficiaries will be identified as eligible for
 19 and elect to receive health home services is as follows (See III.B and Appendix 7
 20 for additional information):

21 **Beneficiary Eligibility: On a monthly basis, the State will identify
 22 which beneficiaries meet the eligibility criteria to receive health
 23 home services (See III.B for additional detail).**

24 **Enrollment: Effective the first of the following month, the State will
 25 enroll those beneficiaries (excepting certain populations as
 26 specified in III.B.1) with a qualified Health Home Network. This
 27 step requires no action by beneficiaries and does not change their**

eligibility for other services or choice of Medicare or Medicaid providers in any way.

Assignment: Following enrollment, the Health Home Lead Entity will assign enrolled beneficiaries to one of their subcontracted Health Home Care Coordination Organizations.

Outreach and Engagement: The Health Home Care Coordination Organization will perform outreach and engagement activities to those beneficiaries it has been assigned.

Health Action Plan and Health Home Services: Following outreach and engagement, a beneficiary will have the opportunity to elect whether to receive health home services, through completion of a **Health Action Plan** (a beneficiary-prioritized plan identifying what the beneficiary plans to do to improve his/her health). If a beneficiary elects to receive health home services, delivery of health home services to the beneficiary will begin, as will provider reimbursement for these services. (See Appendix 1 for definitions of terminology used above.)

39. Since October 12, 2012²⁹ through the present, CMS, the State of Washington, Sunrise and NWRC and other organizations have actively participated in the Health Homes programs –insisting that it has saved the United States Government millions of dollars in (SAVINGS) –thus reducing unreasonable or extended stays in hospitals and SNF. However Sunrise’s claims are deceiving.

**VII. RELATOR'S DISCOVERY OF DEFENDANTS' FRAUDULENT
OR RETALIATORY CONDUCT**

40. Namely, in or around May 2018 through mid-August 2018, Relator actively questioned and reported his concerns to Sunrise, NWRC (Mr. Peter

29 *Id.*

1 Acosta) and Life Care about the fraudulent claims and basis for continuation of
 2 Health Home-type services being provided to patients who have either no
 3 likelihood for returning to their original Health Homes or transitioning to lower
 4 cost living situation.

5 41. Specifically, Patient B was identified by Relator as just a “tip-of-the
 6 iceberg” for his contention that Patient B at the outset upon admission to the Life
 7 Care was subject to Health Home scams and that Medicare and Medicaid paid
 8 hundreds of thousands of dollars to maintain the “illusion” that the Patient B was
 9 otherwise and continuing to be eligible to remain in her (forever) Health Home
 10 arrangement despite sever comorbid conditions, for which the Health Home did
 11 not wish to perpetuate, however, Sunrise attempted to never sunset on their Health
 12 Home patients, thus, continuing to collect Medicare and Medicaid dollars as
 13 illustrated by their conduct with regards to Patient B.

14 42. Further, Sunrise advocated for extensive and expensive interventions
 15 on behalf of Patient B –which clearly was incompatible with the lawful programs
 16 implemented to eliminate such waste, fraud, and abuse of limited Medicare and
 17 Medicaid resources.

18 43. The Relator informed officials at Sunrise and Life Care that the
 19 admission diagnosis was virtually the same diagnosis for which Patient B was
 20 paraded around through multiple hospitalizations in and out of her Health Home,
 21 hospital(s), skilled nursing facilities, and the like, until Patient B was
 22 compromised.

23 44. For example: Mr. Peter Acosta a representative-employee of
 24 Northwest Regional Council who directly interacted with Relator on a frequent
 25 basis, between the months of January to July 2018, at Life Care. During one of
 26

1 these contacts, Mr. Acosta reiterated to Relator that he was involved in the Health
 2 Home Program and had the friendly ears of the *State of Washington* --both the
 3 Office of the Attorney General and the Legal Services Department at the
 4 Department of Health. Relator informed Mr. Acosta on several occasions while he
 5 visited the Life Care --that he (Relator) was concerned about the over-exaggeration
 6 of Sunrise's role in the Health Home programs --ostensibly feeding of the Medicare
 7 and Medicaid --without any real expectations that patients (some of them with sever
 8 dementia was ever going to walk out of Life Care alive); but Sunrise and NWRC
 9 by extension was providing duplicative or worthless services --in contravention to
 10 FCA.

11 45. However, despite the fact that Sunrise's efforts to the contrary
 12 attempted to place false-light on their miserable failure to honestly address the
 13 fraud they were perpetrating against the Government in the form of receiving
 14 payments for providing "sham" Health Home type-care, but also refused to
 15 acknowledge that their schemes additionally and eventually compromised an
 16 already vulnerable (Patient B) at the outset. Specifically, Patient B suffered serious
 17 medical conditions prior to ever being admitted to Life Care, but Sunrise was
 18 motivated more by avarice and greed to continue to create the appearance that their
 19 HEALTH HOME was actually achieving its objective to reduce or minimize cost
 20 to the government by otherwise reducing hospital and skilled nursing home stays.

21 46. Plainly, Patient B was eligible for long-term skilled nursing care upon
 22 discharge from repeated hospitalizations because of comorbid conditions for which
 23 a return home with COPES services were inadequate prior to and continuing until
 24 Patient B's death in July 2018.

25 47. Immediately, upon the death of Patient B, Sunrise seeking "whistle-
 26

1 "blower" protections filed false-charges against Relator with the State of
 2 Washington, Department of Health (DOH), with assistance from the State of
 3 Washington, Department of Social and Health Services (DSHS) employee, Tia Y.
 4 Mathews, Case Resource Manager, Division of Developmental Disabilities –
 5 dressing their complaint as "negligence of patient" by Relator while Patient B was
 6 at Life Care and then subsequently with the death of Patient B.

7 48. Specifically, Sunrise sought to distance themselves from the death of
 8 Patient B, by falsely scapegoating Relator as the negligent party to evade detection
 9 for their ongoing FCA violations, perpetrated upon the Federal Government.

10 49. What Sunrise and DSHS failed to neglect (and in haste) to report to
 11 the DOH accurately in its (whistle-blower) complaint filed against Relator that
 12 Patient B's cause of death (as stated in the death certificate) was attributed to: (A)
 13 Septic shock, and (B) Aspiration Pneumonia. Other conditions contributing to the
 14 Death: is listed as: Staphylococcal Bacteremia (2 days); and Acute Respiratory
 15 Failure (2 days). Clearly, Relator as Director of Social Services at Life Care was
 16 incapable of curing –because he lacked medical credentials to prevent the alleged
 17 neglectful death of Patient B.

18 50. Note that Patient B's Certificate of Death do not list Relator has
 19 having contributed to the death of Patient. Clearly, the conduct of both Sunrise and
 20 DSHS is not protected under Right of Free speech accorded 1st Amendment
 21 protections³⁰ nor does it provide safe-harbor under the "whistle-blower"³¹
 22 protections from defamation under Washington law.

23 51. Further, Relator brings this FCA action against Defendant Sunrise

24
 25
 26 ³⁰ See also analysis of the intersection between Anti-SLAPP Statute, defamatory conduct, and Free
 27 Speech under the 1st Amendment, In re: Clifford v. Trump, --- F.Supp.3d ---(2018). Note: Appeal filed by
 STEPHANIE CLIFFORD v. DONALD TRUMP, 9th Cir., October 16, 2018. 2018 WL 4997419.

28 ³¹ See, Washington Administrative Code (WAC) WAC 246-15-010(9).

1 Services, Inc., to recover millions of dollars that flows through their active
 2 participation in the Health Homes Care Programs, causing Medicare programs to
 3 pay for services that were not covered or duplicative, not reasonable and
 4 necessary, and may actually be resulting in the increasing or worsening of medical
 5 conditions of patients that are actually properly served through hospitalizations and
 6 subsequent placements into long-term skilled nursing care facilities. Instead
 7 Defendant Sunrise knowingly allow patients to deteriorate in their Health Home
 8 Program due to contractual obligations mandating that these severely
 9 compromised patients remain in their own home –despite experiencing numerous
 10 visits in and out of hospitals or SNF. Relator's concerns regarding the FCA
 11 violations (*i.e.*, patients served by Sunrise's Health Home Programs and others) to
 12 his immediate supervisor at Life Care Centers of America, Inc., which was met
 13 immediately with retaliatory animus toward him.

14 52. In addition, Relator was subjected to retaliation for having brought his
 15 complaint to Sunrise Services' employees regarding alleged violations of the FCA,
 16 by being falsely charged with the "negligent death" of a patient at Life Care Centers
 17 of America, Inc.

18 53. Sunrise is also made defendant for *qui tam* violations through their
 19 involvement in the Health Home Programs, , to make overpayments³² of Medicare,
 20 Medicaid, and other benefits.

21 54. Relator Dahlstrom also brings parallel claims under state law on
 22 alleges that he was unlawfully denied employment in retaliation for his
 23 whistleblowing actions against both Life Care and Sunrise while employed at the
 24

25
 26 ³² See *United States v. Life Care Centers of Am., Inc.*, 114 F. Supp. 3d 549, 560 (E.D. Tenn. 2014)
 27 (listing previous cases where a party attempted to use statistical sampling and extrapolation in establishing
 liability under the False Claims Act).

1 latter.

2 55. Upon information and belief, Relator's complaint does not violate the
 3 FCA's 'first-to-file bar,' which prohibits a person from belonging a "related action
 4 when an FCA suit is "pending." 31 U.S.C. § 3730(b)(5).

5 56. Additionally, On or about August 1, 2018, Relator Raju A.T.
 6 Dahlstrom, while employed by Life Care Centers of America, Incorporated, as
 7 Director of Social Services, notified his immediate supervisor, Jennifer Kay Scott,
 8 Executive Director that he was contemporaneously engaged in vindicating and/or
 9 exercising his rights pursuant to:

- 10 (a) Title VII of the Civil Rights Act of 1964, as
 11 amended, codified at 42 U.S.C. § 2000e *et seq.*,
 12 ("Title VII");
- 13 (b) Washington Law Against Discrimination
 14 ("WLAD"), Wash. Rev. Code §§ 49.60.010—
 15 49.60.505; and
- 16 (c) False Claims Act ("FCA"), 31 U.S.C. §§ 3729-33.

17 57. *Specifically*, Relator directly observed Defendant SUNRISE
 18 SERVICES, INCORPORATED, A Washington For-Profit Corporation, justify
 19 their Health Home programs by unnecessarily prolonging its involvement in
 20 Patient B's care, and justifying their conduct and collecting Medicare and
 21 Medicaid monies –while along violating the False Claims Act ("FCA"), 31 U.S.C.
 22 §§ 3729-33, by submitting directly or indirectly (via NWRC) to the United States
 23 false or fraudulent claims for payment.

24 ADDITIONAL STATUTORY BACKGROUND

25 58. The FCA imposes significant penalties on any person who
 26 "knowingly presents, or causes to be presented, a false or fraudulent claim for
 27 payment or approval" to the Government or any person who "knowingly makes,

1 uses, or causes to be made or used, a false record or statement material to a false
 2 or fraudulent claim." 31 U.S.C. § 3729(a)(1)(A)-(B).

3 59. Rather than rely solely on federal enforcement of these provisions,
 4 Congress decided to deputize private individuals, encouraging them to come
 5 forward with claims on behalf of the Government in the form of *qui tam* suits. *Qui*
 6 *tam* provisions are not new to federal law, appearing as early as the first Congress.
 7 J. Randy Beck, *The False Claims Act and the English Eradication of Qui Tam*
 8 *Legislation*, 78 N.C. L. REV. 539, 554 n.54 (2000). In fact, the FCA and its *qui*
 9 *tam* provisions emerged "midway through the Civil War, in response to frauds
 10 perpetrated in connection with Union military procurement." *Id.* at 555.

11 60. Under the FCA's *qui tam* provisions, "a private party, called the
 12 relator, challenges fraudulent claims against the [G]overnment on the
 13 [G]overnment's behalf, ultimately sharing in any recovery." *See* 31 U.S.C. §
 14 3730(b). The relator may be awarded up to thirty percent of the proceeds ultimately
 15 recovered. 31 U.S.C. § 3730(d). Relators need not allege personal injury but
 16 instead sue "to remedy an injury in fact suffered by the United States." *Vt. Agency*
 17 *of Nat. Res. v. United States ex rel. Stevens*, 529 U.S. 765, 771 (2000).

18 61. The Government may intervene in any *qui tam* action, taking over
 19 from the relator, and, in that event, limiting the relator's share of the recovery to at
 20 most twenty-five percent. 31 U.S.C. § 3730(b)(2), (d)(1). The FCA provides that a
 21 "copy of the complaint . . . shall be served on the Government." *Id.* § 3730(b)(2).
 22 "The complaint shall be filed in camera, shall remain under seal for at least 60 days,
 23 and shall not be served on the defendant until the court so orders. The Government
 24 may elect to intervene and proceed with the action within 60 days after it receives
 25 both the complaint and the material evidence and information." *Id.* Moreover, the
 26
 27

1 "Government may, for good cause shown, move the court for extensions of the
 2 time during which the complaint remains under seal." *Id.* § 3730(b)(3). "Before
 3 the expiration of the 60-day period or any extensions," however, the Government
 4 shall "(A) proceed with the action, in which case the action shall be conducted by
 5 the Government; or (B) notify the court that it declines to take over the action, in
 6 which case the person bringing the action shall have the right to conduct the
 7 action." *Id.* § 3730(b)(4).

8 62. Sunrise is a social services and mental health agency. Relator, a
 9 former Life Care Centers of America, Inc., employee, alleges that in the course of
 10 his employment he became aware that, from at least May 2018 (and continuing).

11 63. As a *qui tam* statute, the FCA permits private persons, known as
 12 "relators," to bring actions to recover damages on behalf of the United States. 31
 13 U.S.C. § 3730(b). The statute includes other procedural requirements. *First*, the
 14 statute provides that a relator must file his or her complaint under seal so as to
 15 permit the government to decide whether it wants to intervene. *See id.* §
 16 3730(b)(2). At the Government's request, the seal can remain in effect indefinitely;
 17 moreover, even if the Government declines to intervene at the outset, it may do so
 18 at any point later in the litigation upon a showing of good cause. *See id.* §
 19 3730(b)(3). *Second*, certain provisions of the statute provide incentives for relators
 20 to file quickly, while balancing the Government's interest in notice with concerns
 21 about parasitic or opportunistic law suits. The "first-to-file" bar, for instance, states
 22 that once an action has been brought, "no person other than the Government may
 23 intervene or bring a related action based on the facts underlying the pending
 24 action." *Id.* § 3730(b)(5). Relatedly, the "public disclosure" bar generally requires
 25 courts to "dismiss an action" if "substantially the same allegations or transactions
 26

1 as alleged in the action or claim were publicly disclosed" at an earlier date. *Id.* §
 2 3730(e)(4)(A). In this particular filing, Relator believes that he is uniquely in the
 3 position to observe the illegal conduct of Sunrise –in their attempts to bulk tax
 4 payers by falsely claiming that Patient B was just going to walk out of life care and
 5 return to the Health Homes program. Sunrise actions were deliberately calibrated
 6 to deceive the Government.

7 64. The False Claims Act imposes civil liability on individuals who
 8 knowingly defraud the United States of America. *Universal Health Servs., Inc. v.*
 9 *United States ex rel. Escobar*, 136 S. Ct. 1989, 1995 (2016). The Act may be
 10 enforced either by the government or, under its *qui tam* provision, by a private
 11 person acting as a "relator" on the government's behalf. 31 U.S.C. § 3730(b)(1);
 12 *State Farm Fire & Cas. Co. v. United States ex rel. Rigsby*, 137 S. Ct. 436, 440
 13 (2016). When a private party brings a *qui tam* suit, the complaint is sealed (and
 14 thus unknown to the defendant) but served on the government with a summary of
 15 all material evidence. 31 U.S.C. § 3730(b)(2); *Kellogg Brown & Root Servs., Inc.*
 16 *v. United States ex rel. Carter*, 135 S. Ct. 1970, 1973 (2015).

17 65. Upon learning of a *qui tam* action, the government has multiple
 18 options for action. One of those options is taking over the lawsuit, and, if the
 19 government does take control, the relator will receive 15% to 25% of any recovery.
 20 31 U.S.C. § 3730(d)(1). The government also can decline to participate directly,
 21 and, if it chooses that option, the relator can continue prosecuting the case on the
 22 government's behalf. *See* 31 U.S.C. § 3730(b)(4)(B), (c)(3); *Kellogg Brown &*
 23 *Root Servs., Inc.*, 135 S. Ct. at 1973; *Stoner v. Santa Clara Cty. Office of Educ.*,
 24 502 F.3d 1116, 1126–27 (9th Cir. 2007).

25 66. A relator who successfully prosecutes a *qui tam* action without
 26
 27

1 government involvement will receive 25% to 30% of the recovery. 31 U.S.C. §
 2 3730(d)(2). A third option available to the government is seeking recovery for
 3 fraud through an “alternate remedy,” including “any administrative proceeding to
 4 determine a civil money penalty.” 31 U.S.C. § 3730(c)(5). When the government
 5 pursues an “alternate remedy,” the relator has the same rights in that proceeding as
 6 if the qui tam action had continued, including the right to recover a percentage of
 7 any recovery. 31 U.S.C. § 3730(c)(5); *United States v. Sprint Commc'ns, Inc.*, 855
 8 F.3d 985, 990 (9th Cir. 2017); *United States ex rel. Rille v. PricewaterhouseCoopers LLP*, 803 F.3d 368, 373 (8th Cir. 2015).

10 67. Washington is one of 15 states that received an 18-month planning
 11 grant from the Centers for Medicare and Medicaid Services (CMS) to develop a
 12 multi-phased design and implementation plan for innovative service delivery
 13 models that integrate care for individuals receiving services from both Medicare
 14 and Medicaid. The grant goals are to improve the care experience and health
 15 outcomes of individuals served under these programs and decrease overall costs.
 16 This grant provides an opportunity for the State and CMS to design integrated care
 17 and a shared savings plan that would align incentives to ensure the right care, for
 18 the right person, at the right time.

19 68. Governance of the grant is shared between The Washington
 20 Department of Social and Health Services, Aging and Disability Services
 21 Administration (DSHS/ADSA) and The Health Care Authority (HCA). Together
 22 with stakeholders, the two agencies have collaborated extensively over the grant
 23 period to develop new strategies to improve health care, services and supports and
 24 their associated costs. The HCA is the Medicaid agency responsible for purchasing
 25 Medicaid medical services. ADSA is responsible for purchasing, program and

1 service development for mental health, chemical dependency, long term services
 2 and supports and services to individuals with developmental disabilities. The
 3 project has been informed by a broad range of stakeholders who have participated
 4 in a wide variety of engagement activities throughout the past ten months.

5 69. The state uses a standardized assessment for beneficiaries receiving
 6 long term services and supports and services for individuals with developmental
 7 disabilities that embeds evidence-based screening and risk-based protocols to
 8 support care coordination across service domains. These include: PHQ-9
 9 depression screen, CAGE alcohol and drug screen, diagnosis, medications and
 10 medical treatments, and use of the minimum data set to determine need for activity
 11 of daily living assistance or changes in health status. In addition, nursing protocols
 12 are triggered to ensure in person or telephone consultation with an RN. Nursing
 13 protocols in the assessment are triggered based upon: complicated medication
 14 regimens; unstable or changing diagnosis; untreated pain management issues;
 15 nutritional status or weight issues; and risk of skin breakdown, while patients or
 16 clients are served inside their Health Homes.

17

**ADDITIONAL RETALIATORY CONDUCT
 18 BY DEFENDANT LIFE CARE CENTERS OF AMERICA, INC.,
 19 AGAINST RELATOR RAJU A.T. DAHLSTROM**

20 70. Plaintiff Raju A.T. Dahlstrom worked as a Social Services Director
 21 for Defendant Life Care Centers of America, Inc., from October 25, 2016 until he
 22 resigned (constructively discharged or wrongfully terminated) on August 31, 2018.

23 71. As Social Services Director of Life Care Centers of America, Inc.,
 24 Mount Vernon facility, Plaintiff performed satisfactorily, with no adverse or
 25 disciplinary actions on his employment record while under the direct supervision
 26 of his hiring supervisor, Brandon Matrone, MSW., LNHA (Licensed Nursing

1 Home Administrator). Plaintiff's responsibilities included:³³ "The Social Services
 2 Director plans, organizes, develops, and directs the overall operation of the Social
 3 Services department to ensure all medically-related emotional and social needs of
 4 patients are met in accordance with all applicable laws, regulations,³⁴ and Life Care
 5 standards."³⁵

6 72. **Brandon Matrone**, Executive Director of Life Care Centers of
 7 America, Inc., Mount Vernon, Washington facility, was Plaintiff's front-line
 8 supervisor from on or about October 25, 2018 to on or about May 9, 2018.
 9 Administrator Matrone treated Plaintiff with professionalism, respect and dignity
 10 and never subjected him to any adverse, abusive or retaliatory conduct at Life Care.
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12 73. **Nancy E. Butner**, Northwest Regional Vice President and a Licensed
 13 Nursing Home Administrator at Life Care Centers of America, Inc., (Mount
 14 Vernon facility), was Plaintiff's front-line supervisor (as Interim Executive
 15 Director and Vice President -Corporate) from on or about May 10, 2018 to on or
 16 about August 31, 2018. Plaintiff alleges that Ms. Butner had direct and/or
 17 constructive knowledge of Plaintiff's participation in protected activities, resulting
 18 in her subjecting him to a (retaliatory) hostile work environment and retaliated
 19 against him for engaging in protected activity. Plaintiff complained about the
 20 discriminatory and retaliatory working conditions directly to Ms. Butner, but she
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³³ Note: On or about 12/06/2016, Human Resources, within Life Care Centers of America, Inc., revised their Social Services
 23 Director (SSD) Job Description (Primary).

24 34 On or about October 4, 2016, the U.S. Department of Health and Human Services (DHHS) Centers for Medicare and
 25 Medicaid Services (CMS) issued revised (final rules) regulations specifying the requirements that long-term care facilities must meet
 26 to participate in the Medicare and Medicaid programs, effective November 28, 2016. See: 81 Fed. Reg. 68,688-01 (Oct. 4, 2016). 42
 27 CFR Parts 405, 431, 447, 482, 483, 485, 488, and 489. Accessible online at: Government Publishing Office, at:
<https://www.gpo.gov/fdsys/pkg/FR-2016-10-04/pdf/2016-23503.pdf>.

28 35 See: Life Care Centers of America – Code of Conduct by Forrest L. Preston, Chairman, Life Care Centers of America,
 29 Inc. | Life Care Physician Services, LCC. Revised September 2014 – Code of Conduct. Accessible at:
<https://lcca.com/downloads/Code-of-Conduct-2014.pdf>.

1 took no meaningful action in response.

2 74. Tara Lyn Travers, Interim Executive Director and a Licensed
 3 Nursing Home Administrator at Life Care Centers of America, Inc., (Mount
 4 Vernon facility), was Plaintiff's front-line supervisor from on or about mid-May
 5 2018 to on or about August 3, 2018. Plaintiff alleges that Ms. Travers had direct
 6 and/or constructive knowledge of Plaintiff's participation in protected activities,
 7 resulting in her subjecting him to a (racially/national origin) hostile work
 8 environment and retaliated against him for engaging in protected activity. Plaintiff
 9 complained about the discriminatory and retaliatory working conditions directly to
 10 Ms. Travers, but she took no meaningful action in response.

11 75. Jennifer Kay Scott, Interim Executive Director and a Licensed
 12 Nursing Home Administrator at Life Care Centers of America, Inc., (Mount
 13 Vernon facility), was Plaintiff's front-line supervisor from on or about mid-July
 14 2018 to on or about August 31, 2018. Plaintiff alleges that Ms. Scott had direct
 15 and/or constructive knowledge of Plaintiff's participation in protected activities,
 16 resulting in her subjecting him to a (racially/national origin) hostile work
 17 environment and retaliated against him for engaging in protected activity. Plaintiff
 18 complained about the discriminatory and retaliatory working conditions directly to
 19 Ms. Scott, but she took no meaningful action in response.

20 76. Kelly Falcon, Vice President –Human Resources Department, Life
 21 Care Centers of America, Inc., located in Cleveland, Tennessee. Plaintiff alleges
 22 that Ms. Falcon had direct and/or constructive knowledge of Plaintiff's
 23 participation in protected activities, resulting in her subjecting him to a (retaliatory)
 24 hostile work environment and retaliated against him for engaging in protected
 25 activity. Plaintiff complained about the discriminatory and retaliatory working
 26 activity. Plaintiff complained about the discriminatory and retaliatory working
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1 conditions directly to Ms. Falcon through Life Care's "Compliance Issue
 2 Reporting" an online vendor at: www.LCCA.ethicspoint.com. However, since
 3 Plaintiff's utilization of the online processes, he was subjected to additional
 4 retaliation resulting in his constructive discharge from Life Care Centers of
 5 America, Inc., on August 31, 2018.

6 77. Ms. Falcon, Ms. Butner, Ms. Travers, and Ms. Scott all exercised –
 7 decisional making authority) direct, simultaneous, or overlapping supervisory
 8 authority over Plaintiff (from May-August 2018), resulting in his retaliatory
 9 constructive discharge.

10 78. Further, Ms. Butner, Ms. Travers, and Ms. Scott also share in the
 11 responsibility for subjecting Plaintiff to (various or increasing degrees of hostility
 12 and retaliation (with creativity and deceitfulness) –each and every time he
 13 exercised his rights to protest discrimination, retaliation, and/or when he engaged
 14 in protected activities (i.e., reporting or complaining of Life Care's threatened
 15 administrative discrimination or retaliation against women and other ethnic
 16 minorities) for whistle-blowing about the health, safety, and welfare of patients,
 17 and other violations of Life Care's Code of Conduct, federal or state rules or
 18 regulations, (i.e., HIPPA privacy rules, poor infection controls, etc.,), at Life Care
 19 Centers of America, Inc., at the Mount Vernon, Washington facility.

20 79. On or about mid-May 2018, Plaintiff requested and was refused
 21 access to the "Blue Book", from Ms. Butner and Ms. Travers. Specifically,
 22 Plaintiff as Director of Social Services is responsible for receiving: comments,
 23 complaints, and complements (which is contained on Life Care's "Blue Card"
 24 which is an in-house investigative tools for addressing patient concerns which can
 25 be completed by patients, immediate and extended family members, staff, and
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1 stakeholders).

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3 **Plaintiff Complaints of HIPPA – Patient Privacy Violations**

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5 80. On or about (Saturday) June 16, 2018, Plaintiff worked as Manager

6 of the Day (“MOD”), and upon arriving at work reported to Ms. Travers that the

7 Administrative offices landlines, facsimile lines were reportedly out-of-order.

8 While addressing the issues of dead telephone lines, Plaintiff was ordered to

9 implement the MOD Guide (euphemistically referred to as the “MOD” or “Purple

10 Book”) by Ms. Travers who designed and expected its full implementation for

11 managers on weekend and holiday shifts to increase patient admissions.

12 81. The MOD specifically provides a process –which included the use of

13 the “Weekend Manager To-Do’s” (“WMTD”) list partially created and

14 implemented by Ms. Travers. Namely, the WMTD is a three-page guide providing

15 the covering manager instructions on accessing Electronic Medical Records (EMR

16 /EPIC Based) internal-and-external to Life Care of the various medical facilities

17 throughout the Puget Sound Region.

18 82. According to EPIC,³⁶ there is over two-hundred million patient

19 personal medical records accessible through its web-based software. Major

20 medical providers utilize (EPIC / ePHI) for data-retrieval and storage.

21 83. The WMTD provides a step-by-step access to prospective patient

22 admissions by accessing (online referral) web-based, patient data information

23 from:

24

25 (a) Life Care’s Admission cellular telephone;

26 (b) Life Care’s EMR/Sofcare® and e-mail;

27 (c) EPIC® Providence;

³⁶ EPIC Information accessible online at: <https://www.epic.com/about>.

- (d) EPIC Skagit Regional Health Clinics;
- (e) Allscripts ®; and
- (f) Navi Health. ®

84. Unfortunately, various local medical hospitals, or other providers allowing Life Care access to its web-portal for accessing the (electronic patient health information) is unaware that various Life Care's managers with no credible basis to have access to sensitive patient data enjoy full and unrestricted access via to ePHI/EPIC.

85. Plaintiff from June 2018 (and continuing until his discharge from Life Care) continued to complain to Ms. Butner, Ms. Travers, Ms. Scott, and (effective, August 14, 2018), Ms. Kelly Falcon, Life Care's Corporate Vice President for Human Resources, that Life Care was actively violating patient privacy rights while actively and illegally engaging the WMTD process. Further, Plaintiff also informed his superiors at Life Care repeatedly that he refused to violate the law and access ePHI to illegally access patient private medical records.

86. In June 2018 (and continuing through August 3, 2018), Ms. Travers accused Plaintiff of not being a team player, and that he was directly hurting Life Care's census by failing to fully implement the WMTD. For example, soon after commencing supervisory authority at LCCMV, Ms. Travers entered my office and directed me to keep my office door (opened and unlocked) during business hours, despite receiving confirmation to the contrary (as reported by me)—that the Department of Social Services (DSS) office(s) were always left closed and locked when not occupied in order to safeguard the medical and mental health records of patients, consistent with LCCA (a HIPPA covered entity governing patient privacy rule), policies and as promulgated by Centers for Medicare and Medicaid also regarding patient privacy rights.

1 87. Although the SSD job description includes an expectation that LCCA:
 2 "Promotes a culture of integrity, maintains an 'open door' policy, and does not
 3 participate in or allow retaliation against those who report good faith concerns," I
 4 was permitted from October 25, 2016, through May 31, 2018, considerable
 5 discretionary authority to determine the parameters of implementing LCCA's
 6 Open Door policy without coercion, specifically relating to keeping the door
 7 open or closed. Additionally, the application of the open-door policy as viewed it has
 8 to do with Life Care's policy to create an environment that would facilitate open-
 9 ended conversations and/or alternatively to permit individuals to communicate
 10 freely about work place concerns.

11 88. But when I continued to press Ms. Travers about the unsoundness of
 12 keeping the SSD's door open (e.g., with my absence / presence and/or while
 13 working on the floor), arguing that it may result in the increase risks of potential
 14 breaches of patients' privacy (e.g., I was primarily concerned with the physical
 15 documents only, as I had no concern with the digital Electronic Medical Records
 16 at that time—believing it to be safe and secure), Ms. Travers immediately dismissed
 17 my concerns about the privacy and potential breaches of confidential medical
 18 records; instead she reiterated her expectations that my office door would be
 19 opened as directed.

20 89. While exiting my office—I once again asked Ms. Travers to consider
 21 my concerns regarding the security or sanctity of the medical records in my office,
 22 she stated:

23 " ... Well your kind of people comes from warm climates,
 24 and you guys like to sleep in the afternoons...you
 25 know...I am asking for the door to be left opened so that
 26 you are not sleeping on the job."

1 90. Perplexed by her comments, I asked Ms. Travers for clarification of
 2 her above referenced statement, asking if she had any evidence that I was sleeping
 3 on the job. She responded by chuckling and walking away from my office –
 4 insisting that I follow her directives.

5 91. Further compounding my confusion regarding Ms. Travers' unseemly
 6 or cavalier response, Plaintiff began to inquire of is his co-workers (Note: LCCA
 7 refers to all employees as "Life Care Associates" "LCA") Caucasian-employees,
 8 if they were required to also keep their doors unlocked or placed on work related
 9 restrictions. My immediate survey of several colleagues confirmed, however, that
 10 Ms. Travers never imposed such demands upon them. The consensus amongst
 11 some of the LCAs reveals that I was specifically targeted by Ms. Travers and that
 12 her behavior toward me was inexplicable and I believed it to be motivated by racial
 13 animus.

15 92. Soon after receiving the door directives (concomitantly) by Travers
 16 and Scott a "Safe" appeared into my office without any explanation provided by
 17 anyone in Administration about the circumstances of surrounding storage of the
 18 Safe. Upon seeing the Safe at SSD's office, I inquired about the matter with LCC's
 19 Environmental and Maintenance Department ("EMD") personnel. The EMD
 20 personnel informed me that he was directed to place the Safe in SSD's office
 21 without any reason provided by Ms. Travers. The EMD worker just said: "I am
 22 following orders."

23 93. Plaintiff confirmed later that Ms. Travers ordered the placement of a
 24 "Safe" into the SSD office. A maintenance staff –who initially offered to store the
 25 Safe in his office under lock and key --was contradicted, and then directed to place
 26 the Safe into the SSD's office. I immediately contacted Ms. Travers and notified
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1 her that (Relator/Plaintiff) was concerned about the Safe being stored into the
 2 SSD's office and expressed concerns for the physical safety of the Safe and further
 3 informed her that the previous Administrator held the Safe in his office as it
 4 contained: financial instruments; check books; credit cards; jewelry; and other
 5 miscellaneous, but valuable items belonging to Life Care's patients. Additionally,
 6 I explained to both Travers and Scott that the Caucasian women in the
 7 Payroll/Business office both had a "Safe" in their offices and that during their
 8 absence from their office -while on the floor, their respective doors were always
 9 locked –and were not placed under such severe restrictions as me.

10 94. Although Relator/Plaintiff expressed concern for the Safe being
 11 placed in my office with Travers and Scott, neither was able to provide an adequate
 12 explanation for their decision(s) to keep the Safe in the SSD's office. Both Travers
 13 and Scott, however, reiterated that the "Safe" belongs in the Social Services Office
 14 -as the contents belongs to patients and need be readily accessible –during my
 15 absence or presence in the workplace. Note: Ms. Travers did confirm that I did not
 16 (and need not) have access or knowledge of the Safe insisted that she is aware that
 17 (I) didn't have the secret code to unlock the Safe, further acknowledging that I also
 18 did not have possession of the said Safe's inventory list.

20 95. During the intervening period between the subjects of the "Door" and
 21 "Safe", I was interrupted by Ms. Scott and Ms. Kelly Marler, Business Office
 22 Manager insisting that they were going to put "two cigarette lighters" into the Safe.
 23 I objected for safety reasons –suggesting that the lighters were filled with gaseous
 24 liquid and potentially combustible. Both Marler and Scott dismissed my safety
 25 concerns, placed the lighters into the Safe, and walked away from my office.

26 96. Subsequent conversations about the same (relating to the Door and
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1 Safe) Travers and Scott made another unannounced visit into my office and
 2 demanded that the door to the SSD would be left unlocked and opened during
 3 business hours. I informed Ms. Travers that her directive effectively would result
 4 in medical and mental health records being compromised given that the SSD office
 5 was easily accessible by customers, clients, staff, and other professionals –as the
 6 office was located immediately adjacent to: the front-lobby at Life Care; the
 7 corridor leading to the public access restroom; the copy center; the medical records
 8 office, the Business offices; and the Administrative Conference room.
 9

10 97. Despite numerous protestations to the contrary, I was not able to
 11 convince Travers or Scott and ultimately Ms. Butner to changing course regarding
 12 the integrity of my office space or the Safe. Having no recourse, I informed Travers
 13 and Scott that I would be compelled to file a complaint with the Washington State
 14 Department of Labor and Industries (“L & I”), Division of DOSH (Division of
 15 Occupational Safety and Health) or with the United States Department of Labor
 16 (“DOL”), Occupational Safety and Health Administration (OSHA).
 17

18 98. Contemporaneously, I also informed Susan Roughton, Social Worker
 19 III, Home and Community Services – Washington State Department of Social and
 20 Health Services – of my concerns that the Safe contained “gaseous liquid and
 21 potentially combustible” materials. Ms. Roughton stated that I had done my best
 22 to identify the safety concerns with Life Care’s management, and that I should let
 the process workout itself.
 23

24 99. Further, on or about late July, both Ms. Travers and Ms. Scott directed
 25 my activities –involving a female patient. This direct -hands-on-management of
 26 case management of this patient, placed me under direct supervision of both –
 27 subjecting me to ridicule, criticism and questioning my social work activities.
 28

1 Specifically, Ms. Travers demanded that I visit with this female patient alone –
 2 despite my having expressed serious concerns surrounding the patient’s proclivity
 3 for refusing care.

4 100. Further, I informed Ms. Travers –that “care-in-pairs” for this patient,
 5 including my participation in providing social services was necessary –she
 6 demanded that (nonetheless) I go into the room alone with the female patient –who
 7 also demanded that her room be closed as she prefers the silence and darkness of
 8 the room. I informed Ms. Travers that it was inappropriate for me to be forced to
 9 meet with a patient alone and in the dark, especially, because she expressed a
 10 preference to not to deal with Social Services. (Ms. Travers), nevertheless insisted
 11 I should do just that –stating: “Its good customer service.” After having complied
 12 with Ms. Travers’ directive (with a certified nursing assistant) to meet with this
 13 patient, I placed an entry note into the patient’s chart.

15 101. The following date after my visit with the female patient, Ms. Scott
 16 barged into my office and demanded to know why I had entered an inappropriate
 17 note into the above-referenced female patient’s chart. Ms. Scott stated: “I am very
 18 angry...you now have forced me to have to contact the State of Washington and
 19 file a patient report of neglect. Specifically, Ms. Scott construed the language I
 20 used –describing the female patient’s demeanor was (inappropriate). However,
 21 upon further clarification, I informed Ms. Scott that the patient was complaining
 22 of lack of a “Welcoming Committee” as she was promised, and that the patient was
 23 also complaining about lack of timely pain medications –she was expecting to
 24 receive upon her entry into the Life Care.

25 102. On or about July 31, 2018, during a meeting with Life Care managers,
 26 Ms. Scott inexplicably brought up discussions about her intentions to “fire” some
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1 people. I immediately commented that a disproportionate number of single parents
 2 and minorities would be the most likely be target for discriminatory or retaliatory
 3 conduct by Life Care. I also spoke up and insisted that talking about firing people
 4 would create a workplace that may cause workers to not feel safe about
 5 complaining about (workplace) safety or likely to report discrimination or
 6 retaliation. A medical provider at this meeting also cautioned against creating an
 7 environment of fear in the workplace –reiterating that it is very difficult to recruit
 8 and retain talent at Life Care.

9
 10 103. On or about August 1, 2018, I send an electronic mail (E-mail) to: Ms.
 11 Scott (and Dorry Wartchow, Human Resources / Payroll), containing the subject
 12 heading: "Concerted / Protective Civil Rights Activities and Court hearings."
 13 Specifically, the e-mail message stated:

14
 15 "This is to advice you that I will be requiring some time off from
 16 my regular work schedule to be determined at a future day to
 17 allow my participation (as witness and Plaintiff and as Co-
 Plaintiff) in Court hearings scheduled in federal and state courts
 18 (scheduled in 2018/2019) to specifically address: (1) Civil Rights
 19 Discrimination and Retaliation (in employment context under
 20 Title VII of the Civil Rights Act of 1964; and pursuant to
 Washington State Law Against Discrimination (WLAD); (2)
 Employment retaliation for filing workplace fraud, waste, and
 abuse –made illegal under the federal and state ((Medicare /
 21 Medicaid laws)) pursuant to the False Claims Act ((qui tam));
 and (3) OSHA / DOSH violations ((i.e., workplace safety))."

22
 23 104. On or about August 1, 2018, at 6:22 p.m., Plaintiff send a text message
 to his immediate supervisor (Ms. Scott) stating the following:

24
 25 "Yesterday at our team meeting you indicated that some people may be
 26 fired. Today I felt attacked and humiliated because of an innocent
 spelling error. Please know that English is not my first language. Yes,
 I do struggle with the English language, but I try. Can we discuss this
 issues tomorrow morning after PPS? Thanks. Raju"

1 105. On or about August 1, 2018, Ms. Scott responded to Plaintiff by text-
 2 message:

3 4 "Im sorry raju. I did not know English was not your first
 4 language. I was not referring to any of the managers in that
 5 meeting. Yes we can discuss tomorrow after grand rounds."

6 106. On or about August 2, 2018, at approximately 11:30 a.m., Plaintiff
 7 met with Ms. Scott (and Dorry Wartchow, Human Resources/Payroll -was present
 8 for the first-half meeting) in her office. Ms. Scott and Plaintiff discussed his
 9 concerns involving Ms. Travers' discriminatory (and by extension Ms. Scott's
 10 perpetuation of the same) conduct and that Plaintiff needed to report Ms. Travers
 11 to Life Care's Human Resources in Cleveland, Ohio.

12 107. For what Plaintiff believed was inappropriate and hostile harassment
 13 and inexplicable or incoherent conduct toward him and the manner in which he
 14 believed she subjected him to discrimination and created a hostile work
 15 environment. Ms. Scott provided no relief nor suggested any alternative course to
 16 take in order to correct Ms. Travers' and (now, Ms. Scott's) hostile harassment
 17 conduct.

18 108. On or about August 2, 2018, Ms. Travers --while ending her shift
 19 approached me at my office and ordered me to clean the conference room (across
 20 from my office) by (Friday) August 3, 2018. Plaintiff immediately advised her that
 21 he was not responsible for house-keeping or maintenance related activities (such
 22 as painting, cleaning walls, moving furniture, etc.,) she concluded: "Your kind
 23 knows how to clean," and while walking away saying: "I better see" this
 24 (conference) room cleaned and ready for use "by tomorrow."

25 109. On or about August 3, 2018, Ms. Travers ordered Plaintiff (during
 26
 27

1 Managers meeting) to conduct a Care Plan Conference (CPC) with a patient. When
 2 Plaintiff informed Ms. Travers that the patient indicated she did not wish to
 3 participate, Ms. Travers insisted that the CPC take place –and demanded that he
 4 compel the patient's participation. Plaintiff further advised Ms. Travers that
 5 forcing the patient to participate in her own CPC was inappropriate, illegal, and
 6 inconsistent with Life's Care policy, federal and state policies governing patient
 7 rights. She, however, doubled downed and approached Plaintiff again after the
 8 meeting –insisting that a CPC was happening –insisting that the patient needs to
 9 be discharged from Life Care, advised that she would hold-me personally
 10 responsible for failure to complete the CPC –that morning and aggressively
 11 seeking the patient's discharge from the Life Care.
 12

13 110. On or about August 6, 2018, Plaintiff submitted "Time Off Request"
 14 for the Month of August 2018, to Ms. Scott. Incorporated into his request for time
 15 off was a statement:

16 **"Per my e-mail of 8/1/18 Additional leave request to follow
 17 for month of September 2018 ((and future)) for civil rights
 18 activities and Court hearings under Title VII / WLAD, FCA,
 19 etc." Ms. Scott signed my Time Off Request, clearly having
 20 constructive knowledge of my previous and current
 21 protected activities whistle-blowing activities, as enumerated
 22 in my August 1, 2018, electronic mail."**

23 111. On or about August 8/9, 2018, Plaintiff was informed by a Life Care
 24 Associate that she discovered (an) illegal entry into Life Care's Sofcare® EMR of
 25 a patient's weight (Entry date, August 3, 2018), and that she discovered that there
 26 was a large discrepancy (approximately, 90 pounds downward) in the reporting of
 27 the weight of the said patient. Further she questioned why Social Services Director
 would be taking the weight of a patient –as it is out of the scope of his practice.

1 This Life Care Associate and Plaintiff also caused to file a complaint with Life
 2 Care of Centers of America's internal Information Technology ("IT") Department
 3 in Cleveland, Tennessee. Plaintiff also submitted a written ticket and placed
 4 multiple phone calls to the LCC's IT-system (on August 9, 2018, at 2:51 p.m.), to
 5 report the same, and conversely by e-mail and face-to-face reporting to Ms. Scott.
 6

7 112. On or about August 9, 2018, this same Life Care Associate –who
 8 exposed the serious HIPPA-breach of August 8-9, 2018, reported that she was
 9 being subject to retaliation for having brought issues of discrimination and
 10 retaliation in the workplace, and for whistle-blowing about the significant breach.
 11 Plaintiff once again reported his concerns to Ms. Scott about the LCA's concerns
 12 for this worker's ability to remain on the job –as Plaintiff believed her to be a hard
 13 worker and dedicated to Life Care for over 13 years –serving as Transportation
 14 Coordinator and as Certified Nursing Aide.

15 113. On or about August 9, 2018, Ms. Scott's immediate response was to
 16 inform me that Plaintiff was to continue to keep his office door open and accessible
 17 –in spite his having reported to her and IT of a very serious HIPPA-breach. Plaintiff
 18 did, however, continue to remind Ms. Scott of his continued concerns for HIPPA
 19 related confidentiality, safety and security of both paper and electronic Patient
 20 Health Information.

21 114. On or about August 14, 2018, Plaintiff was summoned by (Ms. Nancy
 22 Butner) and Ms. Scott to meet with them in the Administrative Conference Room.
 23 Ms. Scott handed me a "Corrective Action Form" ("CAF") and informed Plaintiff
 24 that he was receiving a ("Verbal") warning and requested that he sign the
 25 document. Ms. Scott informed Plaintiff that he was responsible (from August 14,
 26 2018 through August 28, 2018) to address the following expectation(s):
 27

Expectation No. 1: "Create notes and care plans that meet professional standards, promote resident wellbeing, and adhere to CMS guidelines and expectations."

Expectation No. 2: “Follow through on directives from ED and reasonable family requests.”

Expectation No. 3: "Resolve grievances within 72 hours per Life Care guidelines."

Expectation No. 4: "Schedule and hold quarterly care conferences for every resident."

Expectation No. 5: “Be an advocate for residents and their family members. Family members should not report to ED that they do not like ‘dealing with’ the social services director.

115. Plaintiff inquired about whether there were any plans for increasing staffing for the Social Services Department as Ms. Butner and Ms. Scott reiterated to him he is responsible for all of the operations of the DSS, and yes: "Including purchasing of a "vase" and a "muumuu" and for scheduling transportation, medical, dental, and other appointments for patients. Namely, Ms. Scott confirmed that the Transportation position was being transferred to the DSS, as that service was always under the DSS's responsibilities.

116. Plaintiff inquired as to the position of the Transportation Coordinator, Ms. Scott responded: ("Ms. ____ ",) will not be returning. Plaintiff concluded that the Transportation Coordinator's position was being terminated because of her active participation in protected activities (i.e., for reporting a significant HIPPA-breach and fraudulent documentation, discriminatory conduct, and for requesting Family Medical Leave Act ("FMLA") to care for her "ailing mother and increasingly available to her daughter.

1 117. Notwithstanding, Plaintiff was reminded (refocused) by both Butner
 2 and Scott that his failure to comply with the CAF –would be immediate grounds
 3 for dismissal due to his “insubordination.” When Plaintiff pressed further if it
 4 would be easier to just submit his “resignation,” Ms. Butner responded:

5 **“It sure would make it a lot simpler...”**

6 118. After receiving the Verbal warning, Plaintiff expressed grave
 7 concerns to both Ms. Butner and Ms. Scott that I was being subjected to the CAF
 8 because I filed complaints regarding the health, safety (i.e., threatened
 9 DOSH/OSHA reporting), and welfare (of residents –i.e., that Ms. Travers was
 10 demanding that I force a patient to participate in a Care Plan Conference (“CPC”
 11 meeting); and for providing written notifications regarding pending Title VII /
 12 WLAD, FCA complaints/litigations before federal or state Courts; and for
 13 vindicating my civil rights through the federal and state Courts -under the anti-
 14 discrimination and retaliation laws and for participating (a False Claims Act) action
 15 in order to protect from: “waste, fraud, and abuse.”

16 119. On or about August 14, 2018, at 4:10 p.m., Plaintiff submitted an
 17 electronic mail (E-mail) message addressed Ms. Nancy Butner, Ms. Scott, and Ms.
 18 Dorry Wartchow his being “constructively discharged” for exercising his rights to
 19 speak about matters of public concern, safety, and engagement in civil rights
 20 complaints. Plaintiff closed his message with a request for an emergency meeting
 21 to discuss the discrimination / retaliation he was experiencing. This meeting never
 22 took place nor was he concerns for retaliation responded.

23 120. Further, Plaintiff informed Ms. Butner and Ms. Scott that he believed
 24 was also being targeted by Life Care of Centers of America’s Management because
 25 I engaged in whistle-blowing about the lack of security of the Electronic Medical
 26

1 Records (EMR); both within and outside of Life Care Centers of America's ePHI
 2 records system –nationwide.

3 121. Specifically, Relator/Plaintiff reminded Ms. Butner and Ms. Scott that
 4 I had filed a verbal and written complaint and work orders through Life Care's
 5 "IT" department, including and up to cautioning IT that their EMR-system was
 6 compromised, and that Sofcare was not secure and that there was a significant
 7 breach of patient record(s).

8 122. Relator/Plaintiff also informed Ms. Butner and Ms. Scott of my
 9 efforts to place the Safe in a safe area –away from direct patient / professional staff
 10 contact with the incendiary items locked in it. Despite coordinating with the
 11 Facilities Department to get a safer area for this item, Ms. Scott insisted that it
 12 needed to remain in my office. No other similarly situated individual was treated
 13 as harshly under similar circumstances, nor required to keep their doors open and
 14 unlocked, nor be responsible for equipment that was a safety hazard.

15 123. On or about August 14, 2018, Relator/Plaintiff was assigned menial
 16 tasks that are outside of my job functions. Ms. Scott ordered me to leave the facility
 17 to buy a vase for flowers and lingerie for a patient, despite having raised concerns
 18 about pending work-related issues that were not appropriately being address by
 19 Respondent.

20 124. Furthermore, Relator/Plaintiff became aware of a co-worker who was
 21 forced to resign for attempting to report illegal activity to Respondent. Eventually,
 22 the work environment had become so hostile that he could no longer continue to
 23 subject myself to it and requested a medical leave of absence to avoid further harm.

24 125. Relator/Plaintiff was also overly scrutinized by Ms. Scott and Ms.
 25 Butner –now being placed on hyper-surveillance at work. For example, on or about

1 August 16, 2018, she attempted to find me insubordinate for "locking" my office,
 2 but at the same time contradicted herself by accusing me of leaving my computer
 3 on. As such, unless she had access to my office she wouldn't have been able to see
 4 whether the computer was on or off. The restrictions would interfere with my
 5 ability to complete my workload, as my job requires that he constantly leave my
 6 office, and thus would have to turn on and off my computer close to twenty (20)
 7 times per day (as documented on or about August 20, 2018), which resulted in my
 8 having to leave the office due to the cumulative stress, and the hyper-surveillance
 9 of my immediate work station by both Ms. Butner and Ms. Scott.

10 126. During this intervening period (on or August 16, 2018), Plaintiff
 11 requested a letter of reference from his immediate supervisor, Brandon Matrone,
 12 who stated:

13 "Dear Hiring Manager" It's my pleasure to recommend Raju
 14 Dahlstrom for social services department. Raju and I worked
 15 together at Life care Center of Mount Vernon skilled nursing
 16 facility. As a social worker and discharge planner I relied on him
 17 to promote quality care with dignity and respect for the resident
 18 and families we served, and to be an advocate for services they
 19 needed to enhance their daily activities. As part of the
 20 interdisciplinary team he was an impressive problem solver who
 21 is always willing to go above and beyond with smile. I
 22 thoroughly enjoyed my time working with Raju and have come
 23 to know him as an asset to the residents discharging to the
 24 community, and those remaining for long-term care. He is
 25 honest, dependable and incredibly hard-working to ensure that
 26 services are setup prior to discharge, and the needs are met once
 27 our residents have returned home. Without a doubt, I confidently
 28 recommend Raju to join your healthcare team. As a dedicated
 29 and knowledgeable employee and an all-around great person, I
 30 know that he will be a beneficial addition to your
 31 organization...Best wishes, Brandon Matrone, MSW, LNHA,
 32 Administrator."

33 127. Plaintiff alleges that he was subjected to a pattern of unequal terms
 34 and conditions of employment for engaging in protected activity (and for

1 advocating for other Life Care Associates), that resulted in his constructive
 2 discharge on or about August 31, 2018. Furthermore, he was subjected to
 3 disparaging remarks because of his national origin, that he believed played a role
 4 in the disparate treatment.

5 128. Relator/Plaintiff notified Jennifer K. Scott, the Interim Executive
 6 Director, that he was participating in state and federal court proceedings involving
 7 Title VII of the Civil Rights Act of 1964, as amended, among other federal and
 8 state statutes. Relator/Plaintiff also consistently raised concerns about policy
 9 violations, illegal activity, and the difference in treatment against me, to no avail.
 10 After bringing my concerns to Nancy Butner, the Vice President, and whether
 11 Relator/Plaintiff was being forced to resign she stated: "it would make it simpler
 12 for all of us."

14 129. From on or about June, July, August 2018 (and continuing)
 15 Relator/Plaintiff has been engaged in protected activities and have utilized both
 16 Life Care Centers of America's processes (and external processes) to vindicate the
 17 rights of patients, professionals, and my personnel matters –in order to ensure a
 18 workplace that is safe from discrimination and retaliation.

19 130. On or about August 16, 2018 (and August 17. 2018) Plaintiff notified
 20 his immediate supervisor, Ms. Scott that he had to take the extra-ordinary steps to
 21 address a patient concern, (i.e., patient forced to defecate, sit in her own urine and
 22 feces, and suffer in pain, without timely assistance...further a previous complaint
 23 –involving the same set of facts of extreme neglect of patient was reported –
 24 namely, that patient's bedpan was parked parallel to her meal tray –implicating
 25 serious health hazard, and extreme tortious treatment of a patient) at the Life Care
 26 Center.

1 131. Ms. Scott, however, ignored my complaint, refused to acknowledge
 2 the severity of Plaintiff's documented patient's complaint, instead –taking the
 3 opportunity to remind Plaintiff that he was leave his door unlocked and opened
 4 during business hours.

5 132. Instead she submits a (reminder) notice involving the need for
 6 keeping my office door opened in an electron mail message dated: Friday, August
 7 17, 2018, at 6:41 (time-stamped EST, Standard Pacific Time –3:41 p.m.). The e-
 8 mail stated:

9
 10 **"Raju, you need to keep your door unlocked during business
 hours as you have been previously instructed or we need to
 make sure that the business office has a key. When I went
 into your office just now to get something I printed, your
 screen was unlocked and unattended and softcare was open.
 You have been instructed by myself and IT to lock your
 screen when you leave your desk."**

14
 15 133. Relator/Plaintiff was also overly scrutinized by Ms. Scott and Ms.
 16 Butner –now being placed on hyper-surveillance at work. For example, on or about
 17 August 16 and 17, 2018, she attempted to find Relator/Plaintiff insubordinate for
 18 "locking" my office, but at the same time contradicted herself by accusing me of
 19 leaving my computer on. As such, unless she had access to my office she wouldn't
 20 have been able to see whether the computer was on or off. The restrictions would
 21 interfere with Relator/Plaintiff ability to complete my workload, as his job requires
 22 that he constantly leave my office, and thus would have to turn on and off the work
 23 computer close to twenty (20) times per day (as documented on or about August
 24 20, 2018), which resulted in my having to leave the office due to the cumulative
 25 stress, and the hyper-surveillance of my immediate work station by both Ms.
 26 Butner and Ms. Scott.

1 134. Further, Relator/Plaintiff believe that he was being subjected to illegal
 2 (discriminatory/retaliatory) treatment by Ms. Nancy Butner, Regional Vice
 3 President for Life Care Centers of America was responsible for providing direct
 4 supervision of Ms. Travers and Ms. Scott, for his participation in protected
 5 activities and for revealing FCA violations by Life Care Centers of America., Inc.,
 6 which was in direct contravention to their Settlement Agreement and Corporate
 7 Integrity Agreement/Disclosures entered with the United States in 2016.

8 135. Additionally, Ms. Butner exercised considerable supervisory
 9 authority (along with Ms. Travers and Ms. Scott) over me during all relevant period
 10 of this complaint and is responsible for applying work rules or policies
 11 *disproportionately* against me, whereas other Caucasian LCCMV managers could
 12 operate with impunity.

14 136. Relator/Plaintiff believe that he has been subjected to intolerable
 15 working conditions when, among other things, Life Care Centers of America failed
 16 to take any meaningful action in response to my complaints; failed to take
 17 reasonable measures to correct the harassing conduct; target me as a [failed]³⁷
 18 employee; refusal to acknowledge that he was a victim of (trageted discrimination
 19 and retaliation); and condoned and permitted Ms. Butner, Ms. Travers, and Ms.
 20 Scott and (through misuse of colleagues, in the present of the highest levels of
 21 management, to demean, disparage, and insult him, and to take actions against me
 22 –to discourage or prevent him for working in a hostile-free work environment.

23 137. This retaliatory conduct created working conditions so intolerable that
 24 a reasonable person would have felt compelled to resign. Alternatively, that he
 25

26 27 ³⁷ During the period between June, July, and August 2018, Respondent actively solicited from staff and patients
 alike any derogatory information to attack Raju A.T. Dahlstrom, as evidenced in a pre-textual use of an internal survey.—
 performed –ostensibly on call-lights/wait times –where patients complained of waiting over two or three hours, without any
 pain relief or minimal (timely) assistance to receive “toileting” or “pain” relief.

1 Relator/Plaintiff find it now impossible to return to work, and subsequently placed
 2 under medical care, and for the foregoing reasons, Relator/Plaintiff believe
 3 believes he was also subjected to discrimination and retaliation (for his FCA
 4 activities) and also he was subjected to conduct due to his national origin, East
 5 Indian, and retaliated against for having engaged in protected activity (and
 6 whistleblowing about the health, safety, and welfare of residence;³⁸ and for
 7 bringing significant HIPPA breaches to the attention of my employer, and lastly
 8 complaining discrimination or retaliation under Title VII of the Civil Rights Act of
 9 1964, as amended.³⁹

10 138. Relator/Plaintiff acknowledges that his Title VII and WLAD claims
 11 are not being litigated in this instant FCA complaint as it is currently under
 12 investigation by the United States Equal Employment Opportunity of Commission.
 13 He is providing this information to provide full and complete disclosure and for
 14 illustrative purposes as to the ongoing discriminatory and retaliatory conduct he
 15 experienced at while employed at Life Care Centers of America, Incorporated.
 16

17 **VIII. CLAIMS FOR RELIEF**

18 **Count I**

19 **False or Fraudulent Claims (31 U.S.C. § 3729(a)(1)(A))**
 20 **(previously 31 U.S.C. 3729(a)(1)1986**

21 139. The Relator repeats and realleges above paragraphs, as if fully set
 22 forth herein.

23 140. The defendant knowingly presented, or caused to be presented, to an
 24 officer or employee of the United States of America, the State of Washington,
 25

26 ³⁸ See also: 81 Fed. Reg. 68,688-01 (Oct.4, 2016).

27 ³⁹ Title VII of the Civil Rights Act of 1964, as codified, 42 U.S.C. §§ 2000e to 2000e-17 (race, color, gender, religion,
 national origin).

1 Northwest Regional Council (“NWRC”), Government or State of Washington, or
 2 its payee-designee, false or fraudulent claims for payment or approval, in violation
 3 of the False Claims Act, 31 U.S.C. § 3729(a)(1)(A), specifically, claims for
 4 payment to Medicare or Medicaid, for medically unreasonable, unnecessary and/or
 5 other services interventions (under) the Health Homes Programs.

6 141. Because of the defendant’s acts, the United States, et al., sustained
 7 damages in an amount to be determined at trial, and therefore is entitled to treble
 8 damages under the False Claims Act, plus civil penalties of not less than \$5,500
 9 and up to \$11,000 for each violation.

10 **Count II**

11 **False Statements (31 U.S.C. § 3729(a)(1)(B))**
 12 **(previously 31 U.S.C. 3729(a)(2) (1986) (Sunrise))**

14 142. The United States repeats and realleges above paragraphs, as if fully
 15 set forth herein.

16 143. The defendant knowingly made, used, or caused to be made or used a
 17 false record or statement material to a false or fraudulent claim, in violation of the
 18 False Claims Act, 31 U.S.C. § 3729(a)(1)(B), including false Minimum Data Sets
 19 utilized by the Sunrise Services, Inc., for billing services –that they knowingly or
 20 had constructive knowledge that it was false after Relator complained to Sunrise
 21 and NWRC Representative Acosta and Life Care.

22 144. Because of the defendant’s acts, the United States sustained damages
 23 in an amount to be determined at trial, and therefore is entitled to treble damages
 24 under the False Claims Act, plus civil penalties of not less than \$5,500 and up to
 25 \$11,000 for each violation.

26 **COUNT III**

Unjust Enrichment by Sunrise

145. The Relator repeats and realleges above paragraphs, as if fully set forth herein.

146. By virtue of submitting claims to Medicare for medically unreasonable, unnecessary, and unskilled services, the defendant obtained inflated payments from the United States.

147. Thus, the defendant was unjustly enriched at the expense of the United States of America, et al., in such amounts, as determined at trial.

COUNT IV

Payment by Mistake (Sunrise)

148. The Relator repeats and realleges above paragraphs, as if fully set forth herein.

149. The defendant submitted claims for Health Homes Program to Medicare, when that level of care was not medically unnecessary. The United States paid more money to maintain the façade that the Health Home Program were beneficial to the detriment of patient(s) entering in and out of their primary resident (Health Homes), hospitals, and skilled nursing facilities (revolving doors) than it would have had the defendant not submitted claims for medically unreasonable and unnecessary rehabilitation or other ancillary supportive services.

COUNT V

Conversion (Sunrise)

150. The Relator repeats and realleges above paragraphs, as if fully set forth herein.

151. By virtue of the acts described, and specifically by submitting claims and obtaining payment for Health Home Program services that were medically

1 unnecessary, unreasonable, unskilled or otherwise failed to meet Medicare criteria
 2 for coverage and payment, Defendant has appropriated the United States' property
 3 to its own use and benefit and has exercised dominion of such property in defiance
 4 of the United States' rights.

5 152. Defendant is, therefore, liable to the United States for actual damages
 6 in an amount to be determined at trial.

7 **COUNT VI**

8 **FCA Retaliation -31 U.S.C. § 3730(h)**
 9 *by Defendants Life & Sunrise*

10 153. *Simply restated:* **Patient A** is a pseudonym for a patient –who was
 11 alleged to have been subject to neglect at the hands of Relator, upon discharge from
 12 the Life Care Center in or around 2017. Specifically, an Adult Protective Services
 13 (APS) Social Worker with the State of Washington, Department of Social and
 14 Health Services (DSHS) notified Relator in or around November 2017 that he was
 15 subject of an investigation –as a result of a referral he received involving Patient
 16 A being discharged from Life Care Center of Mount Vernon without adequate
 17 resources.

18 154. This is despite Patient A having been referred for follow up medical
 19 care at the Upper Skagit Tribal Health Clinic, located in Sedro Wholly,
 20 Washington. Additionally, Patient A was being assisted with medical services from
 21 a provider who is directly related to and FCA-Defendant –who is or was employed
 22 at the Sauk-Suiattle Indian Tribe. Further, the DSHS was made a Defendant in a
 23 Title VII / WLAD discrimination and retaliation complaint among other things in
 24 which the Relator is or was a (Plaintiff along with his spouse) in separate actions
 25 pending on federal and state court.

1 155. Hence, both Sauk-Suiattle Indian Tribal personnel and DSHS
 2 personnel conspired and colluded to facilitate a false allegation report against
 3 Relator –which caused significant strain and distress for Relator while employed
 4 at the Life Care –as he had to fend off against a false report of “neglect.”
 5 Ultimately, Relator was notified that he was no longer subject of an investigation
 6 by the DSHS/APS in February 2018. Patient A is a pseudonym to provide adequate
 7 HIPPA-privacy.

8 156. **Patient B** is a pseudonym for a patient –who was alleged to have been
 9 subject to neglect at the hands of Relator, while Patient B was a patient at Life Care
 10 from on or about April to July 2018. Patient B was also alleged to be a victim of
 11 Relator –in that upon Patient B’s death at a hospital, the Health Homes Care
 12 Coordinator and Tia Y. Mathews, an employee of the Department of Social and
 13 Health Services, Division of Developmental Disabilities –jointly filed a “whistle-
 14 blower” complaint on or about July 2018, with the State of Washington,
 15 Department (DOH), alleging Relator was responsible for Patient B’s (neglect)
 16 resulting in Patient B’s death.

17 157. From on or about April 2018 to Patient B’s death, Relator informed
 18 the Health Home Care Coordinator and Peter Acosta of Northwest Regional
 19 Council (NWRC) of the appropriateness of Patient B’s enrollment and
 20 continuation of services –given that the services provided by Sunrise Services, Inc.,
 21 was fraudulent and duplicative. Further, Relator shared his concerns regarding
 22 FCA-violations committed by Sunrise to both Acosta and Life Care increasingly
 23 in July and August 2018. Relator’s concerns regarding the FCA violations were
 24 dismissed by Acosta/NWRC and Life Care. As a result of Relator’s role in
 25 exposing FCA violations by Sunrise and Life Care’s apparent dismissiveness –he
 26
 27

1 was rewarded by defending against another “neglect” complains, this time filed by
 2 the DSHS and Sunrise personnel –in retaliation for Relator’s involvement in
 3 protected activities.

4 158. The FCA’s retaliation provision entitles an employee to relief if he is
 5 “discharged, demoted, suspended, threatened, harassed, or in any other manner
 6 discriminated against . . . *because of* lawful acts done . . . in furtherance of an
 7 action” under the FCA. 31 U.S.C. § 3730(h).

8 159. Relator was subjected to retaliation by Life Care and Sunrise after he
 9 complained of violations of FCA –namely, the Sunrise’s Health Home program
 10 was a sham and Life Care’s efforts to silence him from vindicating his rights under
 11 the FCA provisions.

12 160. Specifically, Life Care retaliated against Relator for raising FCA
 13 violations in July, August 2018, and was constructively discharged in part for his
 14 exercising his rights to complaint about Sunrise’s sham activities under the Health
 15 Home programs (Medicare and Medicaid funded).

16 161. Sunrise knowingly also subjected Relator to false reporting that he
 17 contributed to the negligent death of Patient B, and it also injured his ability to be
 18 considered for (prospective employment with Sunrise) for his participation in FCA
 19 activities.

20 162. Further, the FCA imposes liability on organizations that knowingly
 21 defraud the government. See 31 U.S.C. § 3729(a)(1)(A)–(B). Because employees
 22 are often in the best position to identify and report fraud, the FCA contains a
 23 whistleblower provision that protects them from retaliation by these organizations.
 24 *Id.* § 3730(h)(1). This anti-retaliation provision states: Any employee, contractor,
 25 or agent shall be entitled to all relief necessary to make that employee, contractor,
 26
 27

1 or agent whole, if that employee, contractor, or agent is discharged, demoted,
 2 suspended, threatened, harassed, or in any other manner discriminated against in
 3 the terms and conditions of employment because of lawful acts done by the
 4 employee, contractor, agent or associated others in furtherance of an action under
 5 this section or other efforts to stop 1 or more violations of this subchapter. *Id.*

6 163. The FCA imposes significant penalties on any person who
 7 "knowingly presents, or causes to be presented, a false or fraudulent claim for
 8 payment or approval" to the Government or any person who "knowingly makes,
 9 uses, or causes to be made or used, a false record or statement material to a false
 10 or fraudulent claim." 31 U.S.C. § 3729(a)(1)(A)-(B).

11 164. Rather than rely solely on federal enforcement of these provisions,
 12 Congress decided to deputize private individuals, encouraging them to come
 13 forward with claims on behalf of the Government in the form of qui tam
 14 suits. Qui tam provisions are not new to federal law, appearing as early as the
 15 first Congress. J. Randy Beck, The False Claims Act and the English Eradication
 16 of Qui Tam Legislation, 78 N.C. L. REV. 539, 554 n.54 (2000). In fact, the FCA
 17 and its qui tam provisions emerged "midway through the Civil War, in response to
 18 frauds perpetrated in connection with Union military procurement." *Id.* at 555.

19 165. Under the FCA's qui tam provisions, "a private party, called the
 20 relator, challenges fraudulent claims against the [G]overnment on the
 21 [G]overnment's behalf, ultimately sharing in any recovery." United States ex rel.
 22 Shea v. Cellco P'ship, 863 F.3d 923, 926 (D.C. Cir. 2017); see 31 U.S.C. §
 23 3730(b). The relator may be awarded up to thirty percent of the proceeds
 24 ultimately recovered. 31 U.S.C. § 3730(d). Relators need not allege personal
 25 injury but instead sue "to remedy an injury in fact suffered by the United
 26

1 States." Vt. Agency of Nat. Res. v. United States ex rel. Stevens, 529 U.S. 765,
 2 771 (2000). The Government may intervene in any qui tam action, taking over
 3 from the relator, The FCA provides that a "copy of the complaint . . . shall be served
 4 on the Government." Id. § 3730(b)(2).

5 166. "The complaint shall be filed in camera, shall remain under seal for at
 6 least 60 days, and shall not be served on the defendant until the court so
 7 orders. The Government may elect to intervene and proceed with the action within
 8 60 days after it receives both the complaint and the material evidence and
 9 information." Id. Moreover, the "Government may, for good cause shown, move
 10 the court for extensions of the time during which the complaint remains under
 11 seal." Id. § 3730(b)(3). "Before the expiration of the 60-day period or any
 12 extensions," however, the Government shall "(A) proceed with the action, in which
 13 case the action shall be conducted by the Government; or (B) notify the court that
 14 it declines to take over the action, in which case the person bringing the action shall
 15 have the right to conduct the action." Id. § 3730(b)(4).

17

18 **PRAYER FOR RELIEF**

19

20 WHEREFORE, the Relator on behalf of the United States demands and prays that
 21 judgment be entered in its favor against Life Care and Sunrise as follows:

22 A. On the First Count under FCA, for the amount of the United States'
 23 damages, trebled as required by law, and such civil penalties as are required
 24 by law together with all such further relief as may be just and proper.
 25 B. On the Second Count under FCA, for the amount of the United States'
 26 damages, trebled as required by law, and such civil penalties as are required
 27 by law together with all such further relief as may be just and proper.
 C. On the Third Count for unjust enrichment, for the damages sustained and/or
 amounts by which Sunrise was unjustly enriched or which Sunrise retained

1 and obtained monies to which it was not entitled, plus interest, costs, and
2 expenses.

3 D. On the Forth Count for payment by mistake, for the amounts by which
4 Sunrise obtained to which it was not entitled, plus interest, costs, and
expenses.

5 E. On the Fifth Count for conversation, for the damages sustained by the United
6 States om an amount to be determined at trial, plus interest, costs and
expenses.

7 F. On Sixth Count for retaliation by Life Care and Sunrise because Relator filed
8 FCA complaints, about Sunrise, Life Care, and against his former employer,
9 Sauk-Suiattle Indian Tribe and against Sunrise for filing false "whistle-
blower" complaints with the State of Washington, Department of Health –
10 in order to avoid and distract from their active FCA violations –in their role
11 of collecting monies through the Medicare and Medicaid programs and in
its operations of the Health Home programs in general.

12 G. All other relief as may be required or authorized by law and in the interest
of justice.

13
14 Respectfully submitted by:

15
16 DATED this 23rd day, October 2018



17 LAKE HILLS LEGAL SERVICES, P.C.,

18 /s/ Richard L. Pope, Jr.

19 RICHARD L. POPE, JR.

20 WSBA # 21118

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